

WELSH
TREVOR & SONS
Property Consultants
ROSEVENOR STREET WIMBORNE
Telephone: 01-629 8151

Travis & Arnold
Timber, Building Materials, Heating and
Plumbing Equipment for the Construction
and Allied Trades. Northampton 52333

NEWS SUMMARY

Business
Hijack: Equities
gypt fall to
cuses new low
bya for year

A WARNING that continued drought could bring a three-day week for industry was delivered yesterday by Lord Nugent, chairman of the National Water Council.

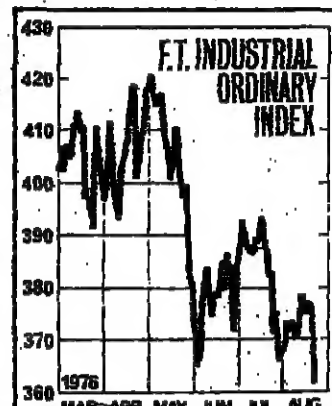
He stressed that such drastic measures would prove necessary only if the public did not respond to appeals to conserve supplies and if the prolonged dry weather continued.

The warning is being taken seriously by the Confederation of British Industry which said last night that industry in the worst affected parts of Britain could face the prospect of short-time working within the next two or three weeks, with the possibility of two-day week working in South Wales.

Present measures to control water consumption were not enough and additional controls would be necessary, Lord Nugent told a specially convened meeting with the confederation, the TUC and heads of the worst affected water authorities.

The Welsh National Water Development Authority, which plans to cut supplies to industry in South Wales by 80 per cent. from September 15, said yesterday that short-time working could become widespread.

An extension of the 17-hour-a-day cuts to 14 domestic consumers was under consideration. Customers might be confined to seven hours' supply every other day. Such measures might become essential to preserve jobs and employment.



20-Share Index dropped 5.4—its biggest one-day fall in four months—to close at 261.4, a new low for the year. Gold Mines slipped in line with bullion, losing 4.0 to 56.3.

● **GILTS** retreated on interest rate worries. Losses ranged to 1/2 among short-dated stocks and 1/4 in medium and long. Government Securities Index fell 0.35 to 61.88.

● **STERLING** closed at \$1.7825, up 10 points. Its trade-weighted depreciation widened to 39.2 (39.1) per cent.; dollar's bid/sold to 2.11 (2.04) per cent.

● **GOLD** fell \$2.75 to \$166.125.

● **WALL STREET** fell 2.58 to 971.49.

● **U.S. TREASURY** Bill rates were lower at this week's auction—three 5.135 (5.143) per cent., sizes 5.380 (5.390) per cent.

chaos eases
ster was the airport worst-terday by the Spanish air-controllers' work-to-rule. Lights up to 15 hours late. erna, because of the low of Monday journeys. were being whittled

ard move
nt Giscard d'Estaing's to be about to take a on the French Govern-reshuffle, which may the replacement of M. Chirac, the Gaullist Minister. Back Page;

er mix-up
sh Army lieutenant and ant-major were arrested estioned for an hour by ublic police for detain- nan on alleged Southern soil. Meanwhile, the ayor of Dublin has said fors in the Irish Republic rganise peace rallies in by with those staged by in Ulster. Page 9

les sentence
who dragged an Afghan and two cats and smuggled rough the Dover customs they did not want to elr pets in Holland when wed in North Yorkshire led for four months.

er trapped
lalcum Fraser, the or Prime Minister, has e remain after 30 minutes ment room at Monash ty, Melbourne, when demonstrators prevented unveiling a plaque.

burglar, 73
drived at a Whitechapel's shop in time to see a pensioner wriggling out a back window. At Old out, London, a 73-year-old, unemployed, homeless man ed for six months. "I protect the public," said

24 back
an 24 unmanned space- on in Siberia on Sun- gling back-rock and soil from the moon, the ews agency announced.

ly
la, 20 art woodcuts, etch- engravings worth about y Abrecht Duerer, the renaissance artist, were rom the University of art gallery.

PRICE CHANGES YESTERDAY

Prices unless otherwise indicated

RISES

● Garton ... 156 + 7

● Garton ... 80 + 4

FALLS

● 347, 1990, 2221 ... 2

● 1215, 1995, 1984 ... 2

● Cement ... 163 - 4

● 210 - 6

● 243 - 7

● 178 - 7

● Hill Prop. ... 88 - 30

● 106 - 5

● 208 - 4

● 170 - 7

● Life Assur. ... 192 - 9

● Heath (C.E.) ... 390 - 12

● Hawker Siddeley ... 385 - 8

● ICI ... 337 - 8

● Johnson-Richards ... 70 - 6

● Lucas ... 197 - 9

● Metal Box ... 245 - 6

● Montagu Boston ... 173 - 71

● Plessey ... 78 - 4

● Pys ... 31 - 4

● Scot. & Univ. Invs. 563d ... 43

● BP ... 567 - 8

● Shell Transport ... 408 - 6

● Woodside-Burmah ... 114 - 6

● Harebeest ... 500 - 40

● M31/Hides ... 266 - 8

● Randfontein ... 5114 - 1

● Zandpan ... 114 - 14

Drought may bring three-day week

BY ARTHUR SMITH

A WARNING that continued drought could bring a three-day week for industry was delivered yesterday by Lord Nugent, chairman of the National Water Council.

He stressed that such drastic measures would prove necessary only if the public did not respond to appeals to conserve supplies and if the prolonged dry weather continued.

The warning is being taken seriously by the Confederation of British Industry which said last night that industry in the worst affected parts of Britain could face the prospect of short-time working within the next two or three weeks, with the possibility of two-day week working in South Wales.

Present measures to control water consumption were not enough and additional controls would be necessary, Lord Nugent told a specially convened meeting with the confederation, the TUC and heads of the worst affected water authorities.

The Welsh National Water Development Authority, which plans to cut supplies to industry in South Wales by 80 per cent. from September 15, said yesterday that short-time working could become widespread.

An extension of the 17-hour-a-day cuts to 14 domestic consumers was under consideration. Customers might be confined to seven hours' supply every other day. Such measures might become essential to preserve jobs and employment.

Britain's problems must be seen against the wider drought afflicting much of Western Europe. The Common Market agriculture Ministers yesterday gave the go-ahead in Brussels to the proposed suspension of EEC import tariffs on drought-hit vegetables. It is hoped this put up food prices, is likely to meet with opposition from Mrs. Shirley Williams, Prices Secretary.

The green pound—the Common Market rate of exchange for U.K. farm and food prices—is 20 per cent. out of step with the real pound because of the depre-

Fire spreads to hospital

Geriatric patients were evacuated yesterday from St. Thomas's Hospital, Haverfordwest, Dyfed, Wales, to other hospitals. Fire, thought to have started in a nearby field, had spread to the hospital's roof timbers.

Some 160 patients returned to St. Leonard's, Ringwood, Hants., threatened by a blaze on Sunday, and the remainder will return today.

Barset's deputy chief officer warned the public against lighting fires for picnics or stubble burning. Mr. Harry Ewing, Scottish Under-Secretary, said the Scottish countryside was now a major fire hazard.

Kenel police said Broad Oak Valley, the site of a nine-day illegal pop-festival starting next week-end, was "tinderbox dry". The Forestry Commission urged campers to stay away from the New Forest.

Japan premier battles to keep party leadership

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, August 23.

JAPAN'S BELEAGUERED Prime Minister, Mr. Takeo Miki, is to meet his two main opponents within the Liberal Democratic Party to-morrow in what appears to be a last-minute attempt to avert a showdown over party leadership.

On the eve of the meeting one of his main rivals, Deputy Prime Minister, Takeo Fukuda, came out clearly for Mr. Miki's resignation, telling his faction members that a "fresh and powerful leadership" was needed.

Mr. Miki has refused to discuss the leadership problem with his two rivals—Mr. Fukuda and the Minister of Finance, Mr. Masayoshi Ohira—both of whom command bigger personal followings than he does and both of whom are openly calling for his resignation. His decision to tackle the leadership issue head-on appears to have been forced on him by the fact that a party caucus could be summoned at any moment to pass a vote of no confidence in his leadership.

Mr. Miki's opponents succeeded last week in getting a two-thirds majority of the Liberal Democratic Party's parliamentary membership to put their signatures to a resolution calling for such a caucus meeting. The secretary-general of the party, Mr. Yasuhiro Nakasone, who is one of the few remaining staunch Miki supporters, has let it be known that he opposes such a meeting but the two-thirds majority would be enough, under the party constitution, for the caucus to meet and quite possibly to vote the Prime Minister technically out of office.

The campaign against Mr. Miki has been gaining ground rapidly in the past few days, particularly since investigations into the Lockheed affair appeared to pass their peak over the week-end with the arrest of two second-rank politicians on bribery charges.

Mr. Miki's opponents claim that he has used Lockheed to split the party and further his personal ambitions instead of closing ranks in what would have been the style of earlier Liberal Democratic leaders. Given the guilt between the Premier and his critics, it seems inconceivable that there can be agreement now on how the affair should have been handled.



Mr. Takeo Miki: to meet main opponents.

or how much further investigation should be pursued but Mr. Miki has various ways of striking back at opponents who feel he has been over zealous about Lockheed.

His ultimate weapon would be to dissolve the present Diet (Parliament) and call a general election—a move which would force Diet members to return to their constituencies and shelve their current leadership struggle.

If Mr. Miki proposes a dissolution, his Cabinet may attempt to veto the move but the Prime Minister could respond to this by outright dismissal of the Cabinet. A general election is due in any case by January at the latest so dissolution now might not seem entirely unreasonable. An argument against early dissolution is that the Government urgently needs to convene a special session of the Diet to pass legislation authorising the issue of special bonds to cover this year's budget deficit.

However, Mr. Miki might argue that if an election were held quickly under his leadership the Diet could be convened after the election without any more waste of time than is being caused by the present intra-party power struggle.

The struggle between Mr. Miki and his opponents in the party fits into none of the patterns established by conservative politics in Japan over the past 20 years. Its special features are that Mr. Miki remains popular in the country as a whole despite his extreme unpopularity within his own party and that the Prime Minister has a second string to his bow in the form of his personal ties with some sections of the opposition.

Manbré says Tate & Lyle bid is 'transparent opportunism'

BY KEITH LEWIS

MANBRÉ AND GARTON yesterday described the £44m. takeover bid from Tate & Lyle as "transparent opportunism with serious monopoly implications".

In a strongly-worded defence it accused Tate and Lyle of using the need for rationalisation in the cane sugar refining industry as a pretext for a bid for Manbré.

The bid, worth 170p a share, is being considered by Mrs. Shirley Williams, Secretary for Prices and Consumer Protection, who must now decide whether the deal should be referred to the Monopolies Commission.

The Office of Fair Trading, which advises the Minister in these matters, passed on its advice over a week ago. A current financial year, against end of this, or the beginning of 1977, which puts the shares (at the offer price) on a prospective approval from Ministers—Agri- yield of over 9 per cent., has been given Treasury approval. It is further disclosed that a of Fair Trading—its bid has run four-year capital expenditure

Soweto black workers stay at home

BY GRAHAM HATTON

JOHANNESBURG, August 23.

IN A WIDESPREAD and remarkably effective work boycott, thousands of Soweto workers today refused to board buses and trains to Johannesburg after being urged by student leaders to join in the "third phase of the struggle against the oppressor."

Employers reported absenteeism rates of up to 80 per cent. among black staff from Soweto, Johannesburg's vast black sister city—a considerably higher percentage than the last stay-at-home on August 4.

Within the township, police riot squads opened fire on two groups described as "intimidators," killing one man and, according to unconfirmed reports, wounding at least six others.

Thousands of pamphlets launching "Operation Azikhwela"—"Don't board the buses"—were distributed throughout Soweto at the weekend. They appealed to "parent workers" to stay at home: "If you go to work, you will be inviting (Prime Minister) Vorster to slaughter us, your children, as he has done already."

They described the students as "soldiers of liberation who prefer to die from a bullet rather than swallow a poisonous education which relegate them and their parents to a position of perpetual subordination."

Workers say they have been asked to stay at home until Wednesday as a protest against the latest wave of detentions of black leaders.

Townships other than Soweto were less affected by the boycott, and businesses in the east of Johannesburg, which draw their labour from Tembisa and Natal-spruit, for instance, reported only slight absenteeism. But shops in the centre of Johannesburg were badly hit, as were factories in Langlaagte and Industria.

In the lunchtime cafeteria at Garlicks, one of Johannesburg's leading department stores, whites were doing jobs usually done by blacks: serving customers their food, wiping tables, and washing dishes. A brewery at Langlaagte said only 10 per cent. of its 300 black workers had reported for duty.

Police Brigadier D. J. Kriel said his men had opened fire on what he called "gangs of intimidators" near Orlando station on the edge of Soweto. He said he knew of no other casualties besides the dead man.

Most of the trains into the city were running only half full and about 14 trains were cancelled due to lack of demand. Putco withdrew its bus services from Soweto and ran its buses only to the periphery of the township.

At Baragwanath, in Diepkloof, Putco buses were escorted by police as a precaution against being stoned if violence broke out. Every bus carried a policeman with a rifle.

At railway stations, groups of children were telling isolated groups of people who were going to the stations not to board trains.

Many of the workers who turned up for work today had slept overnight in the township. There were also reports of some having booked into hotels in Johannesburg.

Hippos (armoured trucks) stood by at the Orlando station and a strong contingent of police was on guard at the entrance into Soweto.

Meanwhile, the Soweto Students' Representative Council Continued on Back Page

Editorial comment Page 12

Balance of payments deficit Page 5

Gold lowest since '73

By Colin Millham

The gold market remained very nervous yesterday and the metal fell by \$21 to close at \$1653.106, the lowest level for over two-and-a-half years.

The last time that gold finished below this level in London was on December 14, 1973, although it did touch \$1653.106 during trading on July 20 this year.

Trading was not particularly heavy, but fairly persistent selling during the day failed to attract any buying interest. The present series of gold auctions by the International Monetary Funds remains the major dominating factor.

Although the market price remained steady after the first auction, the metal fell sharply after the second, losing \$151 in four days.

FEATURES

Social Security frauds ... 12

French politics at a crossroads ... 13

Turkish Cypriot economy ... 4

Change in Saigon ... 5

Strategies behind the takeovers ... 11

Tax reform in the U.S. ... 6

World Value of the ... 5

ON OTHER PAGES

Appointments ... 8

Letters ... 13

Art ... 13

Business ... 13

Company News ... 13

Contracts ... 8

Crossword ... 2

Entertainment Guide ... 13

Foreign ... 13

Materials ... 13

Share Information ... 2

Stock Exch. Report ... 2

The Technical Page ... 11

Today's Events ... 11

TV and Radio ... 2

Unit Trains ... 11

Wall St. & Overseas ... 12

Weather ... 2

World Trade News ... 2

World Value of the ... 5

ANNUAL STATEMENTS

Electronics, Ltd. ... 9

Harwood Steel ... 7

Len. Elect. & Gasl. ... 14

Steele Gorman Indus. ... 7

Silence AG ... 7

INTERIM STATEMENT

F. J. Walle Ltd. ... 4

Base London Rates ... 20

our Rent Review is an easy matter to settle

but is it

Is the rent review notice valid?

What is the current market rental value?

Will the improvements we have made to the property be taken into account?

For advice on these and the many other problems of rent review negotiations, consult The Property Consultants United Kingdom and Overseas.

Edward Erdman

6 Grosvenor Street, London W1X 0DP 01-629 8191

LONDON PARIS GLASGOW

EUROPEAN NEWS

Clash looms over Berlin transit routes to West

BY NICHOLAS COLCHESTER

BONN, August 23.

EAST and West Germany, the USSR and the three Western powers which control West Berlin, appear to be locked on a collision course in the dispute about the transit routes that link Berlin to the West.

The West German Government announced that it had asked for another meeting, on Thursday or Friday, of the Transit Commission of East and West Germany, which is supposed to settle transit route arguments.

The Western Allies too, appear to be moving towards a tougher line, since Moscow has come out categorically in East Germany's support.

So far it has been the policy of the Bonn Government to react as calmly as possible to the events that have created tension between the two Germanys—first the shooting of Westerners on the East German frontier, and later the stopping of 11 buses carrying young West Germans to a rally in West Berlin.

This policy was designed to give the argument every chance of fading away. It now appears to be unsustainable.

The West German general election campaign badly needs an issue, and the "Berlin question" provides a natural one for the Christian Democrats—the conservative opposition party. Even the Free Democrats, the liberal coalition partners of Helmut

Schmidt's party, the Social Democrats, have shown signs of wishing to align themselves with a sterner counterblast against the East German action. There appears, too, to be disagreement between the Western Allies as to how much they should tailor their response to the soft pedalling of the Social Democrats.

Meanwhile, the Christian Democrats, whose youth convoy to West Berlin was the victim of the East German action that caused the whole argument, are continuing to lambast the Government for the softness of its stance. The Christian Democrat candidate for Chancellor, Dr. Helmut Kohl, has stated that he is in favour of using economic sanctions against East Germany as a means of forcing the East German Government to value trade links for the mutual involvement they bring in their wake.

The Soviet Union's intervention—once again through the official Soviet media—provides added grounds for suspicion that the USSR is interested in sustaining tension between East and West Germany. It called the attempt two weeks ago to take the young Germans to Berlin for a demonstration against the Berlin wall "a conscious, planned provocation." More ominously it added that at the

next meeting of the Transit Commission the West Germans would have to explain how "misuse" of the transit routes was to be prevented in the future, if the transit agreement was to continue to function normally.

At the last Transit Commission meeting the East Germans produced Christian Democrat posters and brochures, allegedly from the stopped buses, saying that these were their concrete grounds for suspicion that misuse of the transit route was intended. The West Germans have decided that they cannot accept this material as a justification—not least because of assertions that the posters did not come from the CDU buses.

Leslie Collett adds: In their statement on August 14 after consulting with the West Germans the Western Allies said they were very concerned about the violation of the transit agreement. The Foreign Office also expressed its concern about the obstruction of traffic on the autobahn routes. Both Washington and Paris, however, are known to have called for a much more forceful reaction but they eventually gave in to the views of the West Germans. One Allied official says this incident reflects the growing function of West Germany as a "silent partner" and an increasingly influential one "to the four power accord."

Vienna minister visits GDR

BY OUR OWN CORRESPONDENT

VIENNA, August 23.

AUSTRIA'S FOREIGN Minister, Mr. Erich Bielek-Karl, left Vienna today for a four-day visit to East Berlin where he will meet East German Foreign Minister Oskar Fischer to discuss international and bilateral political and economic problems and some humanitarian cases that cannot be solved under the consular agreement which he will meet below.

This is the first official visit of an Austrian foreign minister to the German Democratic Republic (GDR) since the establishment of diplomatic relations in December 1972.

The late East German Foreign Minister Otto Windey had extended the invitation during a private visit to Vienna in April 1973.

East-West relations after the

Helsinki agreement, the Vienna troop reduction talks and UN problems will figure prominently on the agenda. But discussions will also concern trade expansion. A trade and payments agreement was concluded in 1973, followed by an agreement on technical scientific cooperation.

However, trade, which totalled \$6.5bn last year, remains well below the possible. Austria ranks fifth on the GDR's western imports list, after West Germany, Holland, Switzerland and Britain. Vienna economic circles have complained that trade contacts are limited to a few major Austrian companies and are demanding wider cooperation.

Austria's exports to the GDR are mainly basic chemicals, iron

and steel and engineering products, while imports consist mostly of oil products, coal, machinery and implements. Austria's exports to the GDR rose by 19 per cent in 1974 and by 25 per cent last year but dropped by 28.4 per cent in the first half of this year, which Austrian experts attributed to East Germany's need to adjust to its new Five Year Plan and the desire to balance bilateral trade by reducing imports and promoting exports.

The visit is Mr. Bielek's last but one official engagement abroad before his retirement at the end of 68 at the end of September. He is to accompany President Kirchschläger next month on a tour of Bulgaria.

Moves to boost Spain's economy

BY OUR OWN CORRESPONDENT

MADRID, August 23.

THE SPANISH Cabinet meets tomorrow to discuss a third round of economic measures aimed at bolstering the country's sagging economy.

The measures under discussion by Prime Minister Adolfo Suarez's Cabinet were hammered out last week by the Finance, Commerce and Agriculture Ministers who stayed at their desks while most of their colleagues were on holiday.

Among moves thought to be under consideration are a ruling requiring private banks to set aside a percentage of their funds to finance exports, and the creation of a loan fund for developing countries which would make it more attractive for them to increase imports of Spanish goods.

Other export promotion schemes on the agenda may not

take in all products, but could concentrate instead on those sectors of the economy, such as capital goods and chemicals, which contributed heavily towards easing the Spanish commercial deficit during the first half of this year.

An attempt to attract more investment to Spain, part of the Government's second package of economic legislation presented two weeks ago, appears to have met with little success. Initial gains have been erased, and the Madrid market at the close of trading last Friday showed a 2.39 point drop in its index for the week. The Bilbao and Barcelona markets showed similar losses. The Madrid market index, which stands at 89.78 as trading begins this week, is less than one point off the low for 1976. Commercial banks, chemicals and textiles

registered the heaviest losses. The net result of purchases and sales of stock in the Spanish capital market by foreign sources meanwhile showed a minuscule surplus of Ptas.230m, during the first six months of this year. The surplus for the same period in 1975 was Ptas.537m. The drop in the index is even larger since the peseta was devalued by 11 per cent against most major currencies earlier this year.

Investor caution may be linked to the fact that the Government has elected to deal with the economy one step at a time rather than unveiling a full-scale economic statement of policy. One conservative Madrid newspaper noted recently that "an element essential to the positive evolution of our economy is confidence in the confidence. If the confidence of businessmen, consumers, investors and savers flags, the (Government) economic action programme will become little more than a declaration of good intentions."

The Spanish Foreign Minister, Sr. Marcelino Oreja, is returning to Madrid for tomorrow's Cabinet meeting after what were described as "unofficial working visits" to West Germany and Switzerland at the weekend. Sr. Oreja noted in Bonn that two leading Spanish Communists, Santiago Casanovi and Sr. Dolores Ibarruri, are not likely to be allowed to return to the country legally at this time. Sr. Carrillo, who is known to have made several clandestine visits to Spain, is Secretary-General of the Spanish Communist Party and Sr. Dolores Ibarruri, known as "La Pasionaria," is its honorary president and lives in Moscow.

Air traffic chaos eases

BARCELONA, August 23.

SPANISH air traffic controllers today maintained a three-day-old work-to-rule but a backlog of flights eased after a weekend that stranded thousands of holidaymakers in European airports for up to 17 hours.

An Air Ministry spokesman said traffic was returning to normal and an agreement could be reached tomorrow with the controllers on demands for better pay and equipment, and more staff.

Airline officials said traffic controllers in the go-slow during the weekend, adding to the chaos since the two centres virtually control Spain's airspace. "Flights

are now running more or less normally—after a fashion," said an official here of the Spanish national airline, Iberia.

In Britain, an estimated 12,000 Spain-bound holidaymakers were being held up or faced delays during the next few days. An Alitalia spokesman said their flights were running 30 minutes behind schedule.

Flights to Barcelona, which serves the Costa Brava resorts, to Girona, and to Palma de Mallorca, were up to nine hours late yesterday. Airline officials said an improvement in schedules today could be due to reduced Monday traffic. Reuters

Price rise on agenda of Opec commission

VIENNA, August 23.

THE ECONOMIC commission of the Organisation of Petroleum Exporting Countries (Opec) met here today to discuss a possible increase in the crude oil price in the face of continuing Western inflation.

Opec officials said the system of price differentials—special premiums charged on top of the price of standard crude for higher quality or nearer to consuming countries—and the impact of inflation on prices of imported Western goods would be high on the agenda.

The economic commission is charged with preparing a report for the next Opec ministerial conference, scheduled for Qatar on December 15, where a decision on the oil price as of January 1, 1977 may be made.

Informed sources said, however, that a ministerial meeting might be held earlier as some of Opec's 13 members are pushing for a rise in the autumn.

Opec Ministers failed to agree on a new price rise at their last meeting in Bahrain in May because of Saudi Arabian opposition.

The current price of standard-quality crude oil is \$11.51 per barrel. It was last raised in October 1975.

Mohammed Oil Minister Mohammed Sadil, who is president of the conference, said a decision on whether or not an extraordinary ministerial meeting is to be held will be made after the commission finishes its work.

Reliable sources in Bahrain, however, that Mr. Sadil had already instructed the Opec secretariat-general to make arrangements for a special session, although for security reasons the date and place had not yet been set. Agencies

Luna spacecraft returns with rock samples

MOSCOW, August 23.

TASS, the Soviet news agency, announced today that the Luna 24 unmanned spacecraft landed in Siberia on Sunday, bringing back rock and soil samples from the moon in the first successful Russian lunar mission in two years.

A six-foot core of the lunar surface is to be studied in a special Soviet Academy of Sciences laboratory in Moscow, and samples are to be sent for examination by scientists in other countries.

Tass hailed the 15-day mission of Luna 24 as "a new success for Soviet science and technology." Although two previous robot craft brought back moon rocks, the last attempt—by Luna 23 in November, 1974—failed when the craft crashed on the moon's surface.

UPI

Juliana facing growing crisis

THE HAGUE, August 23.

QUEEN JULIANA of the Netherlands is returning home from Italy today to face a mounting constitutional crisis following a Government probe into allegations that her husband, Prince Bernhard, took bribes from the Lockheed aircraft company, to push its sales.

It is believed the 67-year-old Queen may abdicate if she and the Cabinet fail to find some way of handling the findings of a three-man inquiry commission without causing a stir on the Prince's name.

Mr. den Uyl set up the commission in February to look into allegations that Prince Bernhard, 65-year-old Inspector-General of the 13th Air Force, took \$1,100,000 in payments from Lockheed. The Prince has denied taking the money. Reuters

THE TURKISH ECONOMY

Up by its bootstraps

BY METIN MUNIR, RECENTLY IN CYPRUS

THE MOROSE Kyrenia hotelier leaned across the reception desk and wiped the sweat from his brow. "We are going to sink," he said. "We are going to sink without a trace."

He was grumbling about the state of the economy, a thing which has become almost a national habit with Turkish Cypriots two years after the war on the island. Complaints range from the difficulty of obtaining pipe tobacco to the greater difficulty of securing foreign currency allocations. Both are justified.

But although they are not doing as dramatically well as their Greek Cypriot counterparts in the south, the Turks, with substantial aid from the mainland, have made significant progress in their 36 per cent of the island. They are nowhere reaching the pre-war production level yet. This, according to Mr. Rauf Denktaş, "President" of the "Turkish Confederated State of Cyprus," is expected to happen within two or three years, "when we shall be able to fry in our own oil."

The biggest progress has been made with infrastructure. An automatic telephone system has been installed with limited access to the outside world through Turkey. The link missing in the main highway system between Famagusta harbour and the rich agricultural plains of Morphou in the west is nearly finished. An electricity power plant has been built. Another one is under construction, and so are oil storage depots and electricity lines. There is even a small television station which interlinks the transmission of broadcasts from the mainland with a few hours of local news and entertainment.

The biggest problem, on the other hand, is marketing, which is depressing all sectors of the economy.

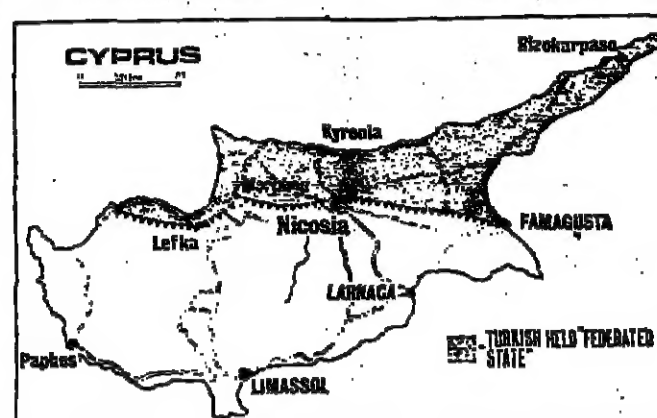
Agriculture, for example, has done remarkably well and there is an exportable surplus of citrus fruit, fresh fruit, and vegetables. Exports so far this year, however, amount to less



Archbishop Makarios



Mr. Rauf Denktaş



CYPRUS

than \$7m., a fraction of the pre-war level.

There is an equally low performance in the factories and hotels left behind by the 150,000 Greek Cypriots who fled to the south during the 1974 war. The number of tourists other than Turks who arrived last year was little over 4,000, and industrial exports this year amounted to no more than several hundred thousand dollars.

The overall picture, however, is not as bleak as the figures might

suggest. The intention was to complete infrastructure in the first two years and launch the economic take-off afterwards. Second, economic aid from Turkey, amounting to an average \$16m. annually, is partly making up for the deficiency of funds and keeping the standard of living high. Turkish Cypriot businessmen have shown a lot of initiative. For instance, one of them has recently started air-freighting fresh vegetables to London; country,

Demirel insists on Greek demilitarisation of islands

ANKARA, August 23.

THE TURKISH exploration ship Sismik 1, which is searching for oil in the disputed Aegean Sea, returns to port tonight to take on more sophisticated scientific equipment.

The ship, centre of a row between Turkey and Greece, has been at sea for five days taking seismological soundings. No incidents have been reported. The 1,300-ton converted sea rescue vessel will also have a week of overhaul in the Aegean port of Izmir.

The vessel's latest mission, the third of six, passed off in a less explosive atmosphere than previous voyages, which had produced fears of a military confrontation between the two countries.

Turkey and Greece both have claims to the Aegean continental shelves, and are locked in a bitter dispute over rights to the mineral riches of the seabed.

Eye-witness accounts reaching Ankara said Greek warships shadowing the Sismik had kept at a greater distance from the ship on this mission than in the past.

Tension between Greece and Turkey was considerably reduced when Athens returned the issue to the United Nations Security Council, complaining that the Sismik represented a threat to Aegean peace. The council is still considering the matter.

During the vessel's latest voyage Turkey appears to have taken a more aggressive stance, attacking the Greek position in the Aegean as well as defending Turkey's rights. Reuters

Metin Munir adds from Izmir: Turkey has added a new dimension to its dispute with Greece. The Turkish Prime Minister, Süleyman Demirel, has recently been referring to Greece's islands in the Aegean sea as "Aegean islands" and not as "Greek islands," the customary name.

Sampson pleads guilty Makarios coup charge

BY OUR OWN CORRESPONDENT NICOSIA, August 23.

MR. NICOS SAMPSON, the former EOKA guerrilla who became Cyprus's "president" for the eight days after the anti-Makarios coup of July 1974, today pleaded guilty to a charge of "aiding in the carrying on of warlike operations" and of illegally usurping the office of president. The charge carries a maximum of life imprisonment.

The prosecution dropped a second charge which said Mr. Sampson had used armed force against the republic. Mr. Sampson, 41, year old newspaper publisher, entered a plea of guilty when his trial was resumed today before the Nicosia Assizes following a Supreme Court ruling last week dismissing Loucaides' appeal. The case was adjourned until 7 p.m. when Mr. Sampson's Deputy attorney-general of the make a plea for mitigation.

republic. Mr. Loucaides, former EOKA guerrilla who became Cyprus's "president" for the eight days after the anti-Makarios coup of July 1974, today pleaded guilty to a charge of "aiding in the carrying on of warlike operations" and of illegally usurping the office of president. The charge carries a maximum of life imprisonment.

The prosecution dropped a second charge which said Mr. Sampson had used armed force against the republic. Mr. Sampson, 41, year old newspaper publisher, entered a plea of guilty when his trial was resumed today before the Nicosia Assizes following a Supreme Court ruling last week dismissing Loucaides' appeal. The case was adjourned until 7 p.m. when Mr. Sampson's Deputy attorney-general of the make a plea for mitigation.

WALLIS

F. J. WALLIS LIMITED

INTERIM STATEMENT

26 weeks ended 26th June, 1976

I am pleased to announce that the unaudited net profit for the 26 weeks to 26th June, 1976, amounted to £1.49. Comparative figures are:

	26 weeks to 26th June, 1976	26 weeks to 26th June, 1975
Turnover	37,924,000	30,111,000
Net profit before taxation	1,493,000	1,212,000
Taxation estimated	776,240	606,000
Net profit after taxation	716,760	606,000

During the first half year we have seen a continuation of squeeze on consumer incomes and pressures on gross margins from increasing competition, with multiples and independents fighting to retain their share of the market. Other influences which were not foreseen at the beginning of the year contributed to make trading even more difficult. To quote instance, additional competition from shops and supermarkets run by some of the major food retailers, which have close then reopened, trading on a restricted range of goods, has discounted, has had to be met.

We are pleased, therefore, with the turnover increase of which has been achieved despite the opening of only additional store, although our stores at Darford and Upm, opened towards the end of 1975, have contributed significantly towards this rate of growth. Trading conditions for the second half of the year do not at the present time, appear as if they will be any easier.

In the first half year we have absorbed the full impact of 66 per cent pay award without an escalation in our wage and all other overheads have been kept very much under control. We have made significant savings in our Head Office overheads without affecting the service to our stores. There has also been a considerable improvement to our cash resources, which strengthened our already sound financial position.

We are in a good position, therefore, to meet the challenges of the second half year, which will be met with our usual approach.

In June we accepted the resignation of Mr. George Haley, Buying Director for many years. Meanwhile the Chairman presiding over the Company's buying operations.

The Board are proposing to pay an interim dividend of which will be paid on the 8th October to Shareholders registered at close of business on 17th September, 1976.

D. R. GYNN, Chief

Corsica wine depot dynamited

Just a year after the Aleria gun-battle in which two French soldiers were killed, separatist violence has again flared up in Corsica with the dynamiting of a wine depot near the eastern town of San Giovanni, writes Rupert Cornwell in Paris.

This time no one was killed and the police were careful not to step in. But the 10-man band responsible was led by Dr. Max Simeoni, former leader of the banned Association for the Rebirth of Corsica (ARC), whose younger brother Edmond was sentenced to five years' imprisonment for his part in the Aleria incident.

As on that occasion, the target chosen was a wine depot owned by one of the resettled pieds noirs from Algeria, whose allegedly favourable treatment by the French authorities is one of the main complaints of the autonomists.

Damage from the latest incident is estimated at £700,000 and the matter has been referred to the State Security Court in Paris. Police officers who went to Dr. Simeoni's home yesterday morning were told that he had taken to the hills with his followers.

In contrast to last year, however, the incident seems unlikely to become the spark to ignite long-smouldering grievances. It is merely one of the conciliatory measures being taken by Paris after last summer's violence have

French Press strike

THE French journalists union yesterday called a one-day national strike for Thursday to back the staff of the newspaper France-Soir who have been on strike for a week. Reuters reports from Paris. France-Soir journalists are protesting against the sale of a half-share of the newspaper to M. Robert Hersant, who owns the morning daily Le Figaro and provincial papers.

Seveso aid

Swiss President Rudolf Gnani yesterday offered Italy any help it may need for inhabitants of the Seveso region evacuated from their homes following the leak of poison gas from a Swiss-owned chemical factory, UPI reports from Bern.

W. German exports

The index of West German export prices rose to 122.8 in July, 4.9 per cent higher than in July, 1975, while the index of import prices was up by 10.3 per cent. year-to-year to 134.3. The Federal Statistics Office said yesterday, AP-DJ reports from Wiesbaden. The indices based on 1970 equals 100, are not seasonally adjusted.

Kohl offensive

Dr. Helmut Kohl, leader of the Christian Democratic Union Party (CDU) launched his party's

Irish bank strike

Irish bank officials are expected to announce today whether the two-month-old bank strike in the Republic will end or continue, writes Our Dublin Correspondent. A ballot by 10,000 employees has rejected by an overwhelming majority a productivity deal which would have given them an extra 2.6 per cent in two stages. Bank officials' union leaders last night met the Minister for Labour to consider ways to end the strike.

Czech goals

Some 120 major Czechoslovakian industrial plants have failed to fulfill their seven-month plans this year, Tanjug, the Yugoslav news agency, reported from Prague yesterday. Most of the companies deal in fuel and heavy machinery and foodstuffs, AP-DJ reports from Belgrade.

In Houston, Texas

One of the world's finest condominium tower

residences. Tower suites, penthouses, townhouses, and studio residences are being offered. Complete safety and security program as well as a full range of facilities. Immediate occupancy is available. Priced from \$94,000 to \$470,000.

THE ST. JAMES CONDOMINIUM

2855 Del Monte Drive, Houston, Texas 77066
Telephone (713) 627-7380
Created by Mark Lee & Associates, Inc. and New England Mutual Life Insurance Company

OVERSEAS NEWS

South African balance of payments deficit soars

GRAHAM HATTON

price of gold dipped to level, the South African Bank to-day disclosed a balance of payments deficit of \$1.5 billion over the past two years. The deficit, which is the largest since 1964, is due to a combination of factors, including a decline in the price of gold, a rise in the price of oil, and a decline in the price of minerals.

During 1975-76, a large net inflow of foreign capital of \$1.5 billion was recorded. This brought the total inflow over the past two years to \$3.2 billion. Foreign net long-term loans of public corporations amounted to \$2.5 billion.

JOHANNESBURG, Aug. 23.

high," the rate of increase in consumer and wholesale prices declined significantly after the first quarter of 1976, but accelerated slightly during the second quarter of 1976.

CHANGE IN SAIGON

Hanoi running out of patience

BY RICHARD NATIONS IN BANGKOK

SINCE the Communists came to power in Saigon 15 months ago, it has been difficult to focus on the change that has come about in South Vietnam. But a picture is beginning to emerge from the stories of some of the 39 Americans and their 11 Vietnamese dependents, who either voluntarily or through a combination of sheer bad luck and incompetence were left behind when the last helicopter left the roof of the American embassy in Saigon on April 30 last year.

The Vietnamese have now allowed all the Americans—except the exception of a few uncertain cases—to leave in what Washington has taken as a gesture to resolve the difference with the United States and clear the path for vital needed reconstruction aid and investment from the West. And the stories of these Americans depict a regime struggling with the same political and political perspective to win the peace as they did to win the war.

There has not been the compulsory collectivisation of farms in the South as in the Soviet Union in 1929, nor have the South Vietnamese been forced to leave the cities—the alleged fate of the residents of Phnom Penh when the Communists took over—even though Hanoi says there are about 5m. excess urban dwellers in the South.

"Mixed." "Capitalist" and "private" are among the five sectors officially recognised for the South in the new Five Year Plan. "Capitalist" and "bourgeois capitalist"—businessmen in trade and industry operating with family labour and a small number of employees—are not harassed by the regime, but encouraged to increase production.

There are clear signs that Saigon's period of grace may be coming to an end, and there has been a noticeable tightening of security over the past months.

Toyota agrees steel price rise

CHARLES SMITH

PANESSE steel industry's price to raise its prices to buyers by 10-15 per cent to have succeeded when Toyota agreed to a 10 per cent rise in the price of steel for its cars.

The full amount of its demand, Toyota itself is the one partial exception to this rule: it was given a 10 per cent discount on the increase originally requested by the industry in return for a promise to step up the cash value of its payments for steel from 70 to 75 per cent.

TOKYO, August 23.

This month's rise will be the second major price increase negotiated by the steel industry with its domestic customers during the past year. The Japanese steel industry has been in a two-stage last autumn and winter, added about ¥8,800 per ton to the domestic price of Japanese steel.

Those in Saigon appear to have benefited from a conscious effort in Hanoi to preserve the best public image in the former capital of South Vietnam. The North Vietnamese treated us like they did most of their former enemies in Saigon, with restraint and propriety—not friendly—but correct.

There are still at least 200,000 people in the re-education camps. The friends and relatives of Americans from Saigon, who their friends bribed their way out of the camps, report they were treated civilly. However, one back American, who spent nine months in a re-education camp in the Delta, said conditions were little different in Saigon than continuing on from those of a labour camp.

But economic forces more than the failings of a few of the new rulers have revived the old syndrome of shabby deals. Shortages of essential goods are chronic. The unemployed queue for a living by queuing at ration shops for hours and then selling their quotas on the open market where prices are much higher than the controlled ones.

There are still at least 200,000 people in the re-education camps. The friends and relatives of Americans from Saigon, who their friends bribed their way out of the camps, report they were treated civilly. However, one back American, who spent nine months in a re-education camp in the Delta, said conditions were little different in Saigon than continuing on from those of a labour camp.

There are still at least 200,000 people in the re-education camps. The friends and relatives of Americans from Saigon, who their friends bribed their way out of the camps, report they were treated civilly. However, one back American, who spent nine months in a re-education camp in the Delta, said conditions were little different in Saigon than continuing on from those of a labour camp.

easing alert Korea

SEUL, August 23.

UNITED STATES and Korea kept their troops high state of alert to-day North Korean President Sang's message indicating for the killing of two U.S. airmen by North Korean forces.

Simultaneously, Mr. Kamal Jumblatt, the leader of the Lebanese Liberation Front, told a Press conference to-day that forces of the Left were determined to stand firm against what he called the Syrian and Right-wing "conspiracy" to liquidate the Palestinian guerrilla movement and the Left-wing alliance.

BEIRUT, August 23.

The Syrian Government said yesterday it was prepared to attend a proposed Arab summit conference to examine the overall Arab conditions, particularly the Lebanon situation. UPI reports from Damascus. The summit was proposed by Kuwait and Saudi Arabia.

The Syrian Government said yesterday it was prepared to attend a proposed Arab summit conference to examine the overall Arab conditions, particularly the Lebanon situation. UPI reports from Damascus. The summit was proposed by Kuwait and Saudi Arabia.

However, the tempo of improvement is expected to be slow in view of the stern attitude of enterprises toward employment. Personal consumer spending As to the major demand trends, personal consumption expenditure appears to be continuing stiff. The increase of department store sales throughout Japan, on a steady recovery after a low of 7.7 per cent in the July-September quarter of 1975 over the year-ago level, registered 10.2 per cent in the April-May period of this year, according to the Ministry of International Trade & Industry.

However, the tempo of improvement is expected to be slow in view of the stern attitude of enterprises toward employment. Personal consumer spending As to the major demand trends, personal consumption expenditure appears to be continuing stiff. The increase of department store sales throughout Japan, on a steady recovery after a low of 7.7 per cent in the July-September quarter of 1975 over the year-ago level, registered 10.2 per cent in the April-May period of this year, according to the Ministry of International Trade & Industry.

However, the tempo of improvement is expected to be slow in view of the stern attitude of enterprises toward employment. Personal consumer spending As to the major demand trends, personal consumption expenditure appears to be continuing stiff. The increase of department store sales throughout Japan, on a steady recovery after a low of 7.7 per cent in the July-September quarter of 1975 over the year-ago level, registered 10.2 per cent in the April-May period of this year, according to the Ministry of International Trade & Industry.

However, the tempo of improvement is expected to be slow in view of the stern attitude of enterprises toward employment. Personal consumer spending As to the major demand trends, personal consumption expenditure appears to be continuing stiff. The increase of department store sales throughout Japan, on a steady recovery after a low of 7.7 per cent in the July-September quarter of 1975 over the year-ago level, registered 10.2 per cent in the April-May period of this year, according to the Ministry of International Trade & Industry.

New quake in Philippines

HONG KONG, August 23.

RIGHTER scale struck the Gulf of Moro off Cotabato at 03.49 GMT. The survey said that an earthquake measuring 6.5 struck western China between Szechwan and Kansu provinces 13 minutes earlier. The Royal Observatory in Hong Kong also reported a tremor in sparsely populated Szechwan—Reuters.

RIGHTER scale struck the Gulf of Moro off Cotabato at 03.49 GMT. The survey said that an earthquake measuring 6.5 struck western China between Szechwan and Kansu provinces 13 minutes earlier. The Royal Observatory in Hong Kong also reported a tremor in sparsely populated Szechwan—Reuters.

RIGHTER scale struck the Gulf of Moro off Cotabato at 03.49 GMT. The survey said that an earthquake measuring 6.5 struck western China between Szechwan and Kansu provinces 13 minutes earlier. The Royal Observatory in Hong Kong also reported a tremor in sparsely populated Szechwan—Reuters.

RIGHTER scale struck the Gulf of Moro off Cotabato at 03.49 GMT. The survey said that an earthquake measuring 6.5 struck western China between Szechwan and Kansu provinces 13 minutes earlier. The Royal Observatory in Hong Kong also reported a tremor in sparsely populated Szechwan—Reuters.

RIGHTER scale struck the Gulf of Moro off Cotabato at 03.49 GMT. The survey said that an earthquake measuring 6.5 struck western China between Szechwan and Kansu provinces 13 minutes earlier. The Royal Observatory in Hong Kong also reported a tremor in sparsely populated Szechwan—Reuters.

RIGHTER scale struck the Gulf of Moro off Cotabato at 03.49 GMT. The survey said that an earthquake measuring 6.5 struck western China between Szechwan and Kansu provinces 13 minutes earlier. The Royal Observatory in Hong Kong also reported a tremor in sparsely populated Szechwan—Reuters.

RIGHTER scale struck the Gulf of Moro off Cotabato at 03.49 GMT. The survey said that an earthquake measuring 6.5 struck western China between Szechwan and Kansu provinces 13 minutes earlier. The Royal Observatory in Hong Kong also reported a tremor in sparsely populated Szechwan—Reuters.

RIGHTER scale struck the Gulf of Moro off Cotabato at 03.49 GMT. The survey said that an earthquake measuring 6.5 struck western China between Szechwan and Kansu provinces 13 minutes earlier. The Royal Observatory in Hong Kong also reported a tremor in sparsely populated Szechwan—Reuters.

Fraser flees from angry demonstrators

CANBERRA, August 23.

SECURITY arrange the Prime Minister. Mr. Fraser, broke down the face of about 1,500 demonstrators at Monash University in Melbourne. Mr. Fraser is prevented from carrying out his scheduled unveiling of a monument to the ANZACs, a war memorial, by the demonstrators.

SECURITY arrange the Prime Minister. Mr. Fraser, broke down the face of about 1,500 demonstrators at Monash University in Melbourne. Mr. Fraser is prevented from carrying out his scheduled unveiling of a monument to the ANZACs, a war memorial, by the demonstrators.

SECURITY arrange the Prime Minister. Mr. Fraser, broke down the face of about 1,500 demonstrators at Monash University in Melbourne. Mr. Fraser is prevented from carrying out his scheduled unveiling of a monument to the ANZACs, a war memorial, by the demonstrators.

SECURITY arrange the Prime Minister. Mr. Fraser, broke down the face of about 1,500 demonstrators at Monash University in Melbourne. Mr. Fraser is prevented from carrying out his scheduled unveiling of a monument to the ANZACs, a war memorial, by the demonstrators.

SECURITY arrange the Prime Minister. Mr. Fraser, broke down the face of about 1,500 demonstrators at Monash University in Melbourne. Mr. Fraser is prevented from carrying out his scheduled unveiling of a monument to the ANZACs, a war memorial, by the demonstrators.

SECURITY arrange the Prime Minister. Mr. Fraser, broke down the face of about 1,500 demonstrators at Monash University in Melbourne. Mr. Fraser is prevented from carrying out his scheduled unveiling of a monument to the ANZACs, a war memorial, by the demonstrators.

SECURITY arrange the Prime Minister. Mr. Fraser, broke down the face of about 1,500 demonstrators at Monash University in Melbourne. Mr. Fraser is prevented from carrying out his scheduled unveiling of a monument to the ANZACs, a war memorial, by the demonstrators.

SECURITY arrange the Prime Minister. Mr. Fraser, broke down the face of about 1,500 demonstrators at Monash University in Melbourne. Mr. Fraser is prevented from carrying out his scheduled unveiling of a monument to the ANZACs, a war memorial, by the demonstrators.

DKB'S ECONOMIC JOURNAL

August 1976: Vol. 5 No. 8

Business registers steady recovery with individual consumer spending firm

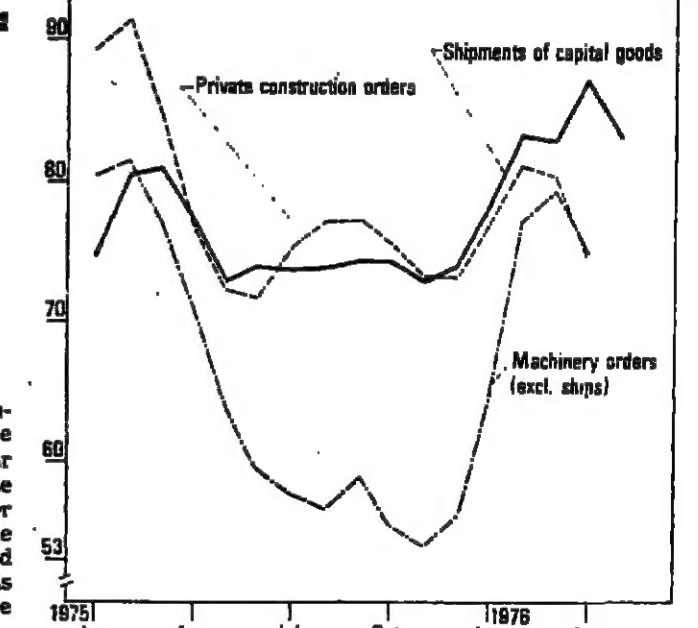
Domestic business has been following a steady path for recovery after a short-lived slowdown in the April-June quarter in the wake of a sharp upswing in the January-March quarter.

However, the tempo of improvement is expected to be slow in view of the stern attitude of enterprises toward employment. Personal consumer spending As to the major demand trends, personal consumption expenditure appears to be continuing stiff. The increase of department store sales throughout Japan, on a steady recovery after a low of 7.7 per cent in the July-September quarter of 1975 over the year-ago level, registered 10.2 per cent in the April-May period of this year, according to the Ministry of International Trade & Industry.

However, the tempo of improvement is expected to be slow in view of the stern attitude of enterprises toward employment. Personal consumer spending As to the major demand trends, personal consumption expenditure appears to be continuing stiff. The increase of department store sales throughout Japan, on a steady recovery after a low of 7.7 per cent in the July-September quarter of 1975 over the year-ago level, registered 10.2 per cent in the April-May period of this year, according to the Ministry of International Trade & Industry.

MAJOR INDICES FOR EQUIPMENT INVESTMENTS

(Oct.-Dec. 1973: 100, seasonally adjusted)



Note: Three-month averages for private construction orders and machinery orders.

the poor agricultural crops resulting from globally adverse weather conditions. —The domestic supply-demand balance is destined to improve slowly and moderately along with the recovery of domestic business. —Enterprises are strongly desirous of raising the prices of their products as exemplified by the recent advances of the prices of petroleum products and steel mill products. Consumer prices also have continued stiff. The Tokyo consumer price index in June, for example registered an advance of 0.9 per cent over the previous month and 9.7 per cent over a year ago.

whole is likely to stay almost at the same level as in the previous year. However, a calm situation will continue in the money market, since the monetary policy is expected to remain unchanged in the meantime. On the other hand, corporate finance this year is expected to hold a sufficient leeway for the following reasons: 1) The Bank of Japan has placed its window guidance (the increase of bank loans over the year-ago level) almost at the same level as a year ago; 2) however, corporate demands for less constructive funds generally will decrease in view of the progress of inventory adjustment and the recovery of corporate business performances; 3) the growth of demand for operating funds will stay relatively modest; the climate still is not favorable enough to spur the rally of constructive funds, such as those for plant and equipment investments. Corporate finance thus generally is destined to continue relatively lenient in the meantime as a whole, although there still will be a gap among different industries and corporations.

The international bank with your interests at heart.

We have your interests at heart.

DAI-ICHI KANGYO BANK

Head Office: 6-2 Marunouchi 1-chome, Chiyoda-ku, Tokyo 100. Japan Branches and Agencies at: New York, Los Angeles, London, Düsseldorf, Taipei, Seoul, Singapore, Representative Offices at: Chicago, Toronto, San Paulo, The Hong Kong, Canada, Frankfurt, Zurich, Bern, Jakarta, Sydney Subbranches at: London, Amsterdam, Affiliated and Associated Companies at: Rio de Janeiro, London, Hong Kong, Bangkok, Singapore, Kuala Lumpur, Jakarta, Manila, Melbourne, Sydney, New Hebrides.

AMERICAN NEWS

R and D spending rises 2%

SPENDING ON research and development in the U.S. is expected to reach \$38.1bn. in 1976, an 8 per cent. increase over last year, says the National Science Foundation.

The foundation said that taking inflation into account, the 1976 spending measured in constant dollars represents a 2 per cent. increase over 1975. AP-DJ reports. Total R and D expenditures are expected to account for 2.2 per cent. of the estimated 1976 gross national product, down slightly from 2.3 per cent. in 1975. The report covers spending by the federal government, industry, non-profit institutions and universities and colleges, which account for more than 97 per cent. of the national R and D funding.

The foundation said that in 1976, federal R and D expenditures are estimated at \$20.1bn., industry \$15.6bn., universities and colleges \$800m., and other non-profit institutions, \$600m.

New loans rules

The U.S. Federal Home Loan Bank Board has adopted regulations designed to limit insider transactions and conflicts of interest. The board's 4,000 federally insured savings and loan associations, AP-DJ reports from Washington. Some transactions, including business loans to insider relationships and transactions that were prohibited outright in the proposals are only discouraged by non-binding guidelines.

Darvon controls plan

The U.S. Drug Enforcement Administration soon will propose the imposition of strict controls on the Eli Lilly drug Darvon and other companies' version of the popular pain-killer, AP-DJ reports from Washington. The aim is to prevent abuse of the drug, which is marketed under its generic name of propoxyphene by 25 other companies. The proposed controls will limit the number of prescription refills to five in six months, and impose other record-keeping requirements to prevent illicit diversion and misuse.

Anti-terrorism aid

U.S. businessmen overseas are looking increasingly to the State Department for help in countering the threat of terrorism against U.S. companies and business executives, AP-DJ reports from Washington. Mr. Victor Dikeos, Deputy Assistant Secretary of State for Security, said many of the country's 100 biggest corporations are among firms helped so far in developing more effective security measures for their operations abroad.

Carter on Concorde

U.S. Democratic Presidential candidate Jimmy Carter said in an interview published in Paris yesterday that he opposed flights by Concorde into the United States but that he was ready to review his stance on the current environmental tests on the supersonic aircraft, Reuters reports. "I do not favour the use of supersonic aircraft carrying foreign flags in the United States inasmuch as Congress and the Government rejected the supersonic airliner which could have been built in our country," he told the weekly news magazine L'Espresso.

TAX REFORM IN THE U.S.

Looking for the breaks

BY DAVID BUCHAN IN WASHINGTON

IN A COUNTRY born out of tax revolt, many Americans still find the tax system revolting. Few pieces of legislation in recent years have been the culmination of the Tax Reform Bill that the Senate passed at the start of the month. The comment of a chairman of the House Budget Committee that the Bill was a "Frankenstein" ought to be improved or killed as soon as possible—was on the milder side.

Designed to bring in an extra \$2bn. to the federal exchequer by closing tax breaks (as conservatives call them) or tax loopholes (as liberals call them), the Bill garnered a meagre \$100m. in extra revenue. So increased were some of the Senate liberals that they tried unsuccessfully to strike the label "reform" from the Bill's title.

The final shape of the Bill will only become clear after the Senate and House meet this week in conference to reconcile their widely differing versions of "tax reform." The reformers in the House were considerably more successful than in the Senate— they pushed through a Bill that raises an extra \$14bn. revenue. But little is now expected of what has been the culmination of 18 months of work in Congress. The hopes of the reformers are now pinned on the chance of a Jimmy Carter administration coming to power next year. Mr. Carter himself is playing a cautious role. Speaking to the group of New York businessmen recently, he promised he would make no tax changes "until at least a full year of careful analysis." By 1978 many observers calculate that Mr. Carter's honeymoon period, traditionally supposed to be so useful in pushing legislation through Congress, will be over.

The villain of the piece for the liberal reformers is Senator Russell Long, the canny Southern tactician who has had lengthy tenure in the chair of the Senate Finance Committee. Son of the poor man's champion, Huey Long, the Senator defends the tax breaks that his committee has habitually opposed as "incentives to provide the answers to America's problems in a free enterprise way." To others he is notorious for introducing amendments neatly tailored to benefit a single taxpayer, a few taxpayers, a single industry, or anything that could be called a special interest.

The worst of it, the Senator's

Nervousness in Ford camp as Carter begins campaign

BY JUREK MARTIN, U.S. EDITOR

THE SENSE of relief that followed President Ford's nomination as the Republican Party's presidential candidate is now giving way to a nervous awareness of the uphill struggle with Mr. Jimmy Carter in November.

While Mr. Ford is taking a few days off in Colorado, Mr. Carter is already on the stump in California. The President is due to start planning his strategy for the campaign proper later this week, but he will be doing so amid evidence that all is not exactly well in the Republican high command.

From various sources there have been reports that Mr. John Connally from Texas lost weight turned down a presidential offer to become chairman of the Dallas Times Herald, he saw no chance of Mr. Ford winning in Texas and did not wish to be blamed for the defeat. This morning, Mr. Connally refused to confirm or deny the reports and said that he thought Mr. Ford could win in the general election.

Senator Robert Dole, the Republican running mate, had some blunt things to say about the campaign's management in an interview with Time magazine last Thursday morning, an hour or so before he was selected to run with the President.

Samuel Hays, the President's press secretary, said in a sudden he (Ford) is in the big picture and running like a Congressman, still drawing for help on friends who represent districts, not states or regions. I just haven't met a lot of people in the campaign yet that has a broad view. Also, with

New VW plant financing

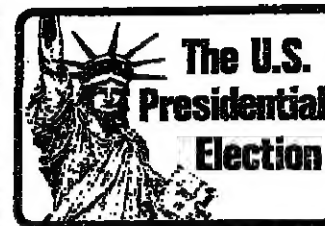
BY OUR NEW YORK STAFF

NEW YORK, August 23.

VOLKSWAGENWAG AG has announced that it will provide by loan to the \$135m. needed to complete construction of its first U.S. plant. This should remove the only major obstacle in financing the agreement between the West German car manufacturer and the state of Pennsylvania, which worked diligently to win the VW plant site.

Negotiations over the \$135m. long-term loan had delayed final signing of the agreement since mid-July. Two state pension funds had offered terms of 8 per cent. interest over 10 years—an offer that was less generous than had been initially promised when Pennsylvania named its tax concessions and financing aid.

It was the package presented by the state which ultimately enticed VW to choose an unfinished Chrysler plant in New Stanton as the site of its first U.S. manufacturing facility. The state had promised a \$40m. loan from the Pennsylvania Industrial Development Authority at 1.75



manager, is considered an amiable chap but not one to be taken for granted. Mr. James Baker, Mr. Ford's chief delegate hunter before and at the Kansas City convention, has earned respect for his performance of late and may be given new responsibilities (but he has never run a national campaign before).

The problem, as Senator Dole sees it, is that somebody is going to have to take a lead, but that Mr. Ford may not be the man.

He said in the Time interview: "Jimmy Ford is a very decent, open, honest President. He just isn't the kind of guy to go around knocking heads together. But the President's got to do it. When you're 20 points behind in the polls, you have to take some risks and I think that you have to risk offending a few people if you are

Brazil's trade deficit with U.S. widens

RIO DE JANEIRO, August 23.

BRAZIL'S trade deficit with the U.S. is widening despite earlier reports that 1976 would see a narrowing of the gap. For the first five months of 1976 Brazil's deficit with the U.S. totalled \$645.3m., 2 per cent. more than a year earlier. The same also represents 43.2 per cent. of Brazil's total trade deficit for the period.

Earlier in the year, U.S. ambassador to Brazil John H. Crimmins said the deficit with the U.S. would narrow U.S. economic recovery and would mean increased demand for Brazilian products, he said.

UPI adds: Former Brazilian president Juscelino Kubitschek was killed on Sunday in the head-on collision of his chauffeur-driven limousine with a truck.

WASHINGTON, August 23.

really going to strengthen your organization."

It is also far from certain that Governor Ronald Reagan, the defeated presidential aspirant, is going to get out and work for the President this autumn. His post-convention comments have reflected his bitter disappointment and he has been saying that though he will help he will have to fit in campaign engagements around his own private business affairs.

Mr. Reagan certainly may not be enamoured of remarks attributed to Mrs. Ford about Mrs. Reagan, also in the current time. Mrs. Ford, on record for her commitment to advancing the rights of women, criticised Mr. Reagan for her more traditional view of the role of women and said, inter alia: "I just think that when Nancy met Ronnie, that was it as far as her own life was concerned. She fell apart at the seams."

There is some doubt further as to whether Mrs. Ford herself is standing up well to the physical rigours of electioneering. The President's doctor admitted this week-end that Mrs. Ford is very tired, he referred to a pinched nerve in her neck and needs a rest. Journalists who have seen her regularly over the last few months at close quarters believe that her health is much more fragile than is generally admitted and that she may not have fully recovered her strength after her mastectomy operation two years ago.

The President's Press Secretary, Mr. Ron Nessen, claimed this morning that this would be a very productive week and that key strategic decisions would be taken in Colorado.

Ericsson wins Czech order

By John Walker

STOCKHOLM, August 23.

THE CZECH telecommunication administration has ordered telephone equipment from the Swedish L. M. Ericsson telephone company valued at over Kr.96m. (\$12m.). This order is about double the size of the group's annual sales to East European countries, which amounted to Kr.52m. last year.

A major part of the order consists of a large new transit exchange—type Ake 12—for national and international telephone traffic to be installed in Prague. It will be computer-controlled and is one of the largest stored programme control exchanges ever ordered. Delivery will be within the next three years.

The transit exchange will play an important part in the handling of international telephone traffic to and from Czechoslovakia, the company reports. Included in the order is equipment for an extension of a previously installed telex exchange and a large public automatic branch exchange.

Meanwhile, the Fisket group has announced that its Air Control Incorporated unit has won a contract of more than \$10m. from the Reynolds Metals for pollution control equipment.

The contract is for turnkey delivery of an air pollution control and fume recovery plant for pre-baked pot bases at Reynolds' plant at Troutdale, Oregon.

U.K. consortium for Dubai

By Kathleen Bishaw

DUBAI, August 23.

FIVE BRITISH companies have entered into a marketing consortium in Dubai to sell their wide-ranging construction specialties. The new company is called Abbott Associates Middle East, those participating are Telford and Co., of London, a construction and design company specialising in chimneys, water towers, silos and other tall structures, Blackburn Starling Engineering, which designs, manufactures and installs electrical switchgear and control panels, Lovell Stewart International, a construction firm by Kyles Stewart (Contractors) and Y. J. Lovell (Holdings) Limited, to handle overseas work, the London-based Ancorite, a company specialising in anti-corrosive linings and Bridge Detailers, of Teeside which specialises in steel design.

A spokesman for Abbott Associates said that it was possible that all five companies could be involved in one project together. The group was particularly interested in turn key projects which are becoming increasingly popular in construction projects for the Government here.

Swiss improve export credits

By John Wicks

ZURICH, August 23.

WITH EFFECT from today, Switzerland's four leading banks have introduced additional financial support for exporters. Minimum interest rates for export credits have been scrapped and fixed rates granted in the case of credits with a maturity in excess of five years. In the latter case, financing for five to ten-year periods will be facilitated by the creation of three alternative credit programmes at advantageous terms.

The Swiss National Bank has already announced its readiness to extend from June 1, 1977, to a provisional date of June 1, 1979 the refinancing agreement for export credits, as well as to Sw.Fr.10m. of the minimum credit sum for which re-financing can be demanded. At the same time, the National Bank undertakes to see that the banks do not suffer disadvantages in the world than this particular tax break. Nevertheless the Senate Bill added a little further sweetener to it this year. There certainly seems little national benefit in some of the Senate Bill's clauses which give Hollywood and TV film producers \$54m. next year and makers of fat cigars \$1m.

The conventional wisdom is that the only way to reform the system is to persuade all those who would lose a cherished loophole that their total tax payments would nevertheless be reduced—in other words, to pass a hefty general tax cut for all at the same time. But the play longer seems to work. If indeed the Senate Bill does, for example, extend the personal and corporate income-tax cuts of this year into 1977.

Even if general tax cuts were a full and sufficient bribe to recalcitrant tax reformers, the economic wisdom of having to time them to coincide with cumbersome efforts towards tax reform is highly suspect. At the best of times fiscal management of the U.S. economy has always been an unrewarding business—hence the heavy reliance on the money supply and interest rate tools of the Federal Reserve. Such is the ponderous and sometimes quirky way in which Congress scrutinises tax legislation that "fine tuning" the economy by quick increases or cuts in taxes is often impossible.

Not the lightest blow which the Senate Bill has dealt out to the new Congressional budget system now in its first full year of operation. The new system is supposed to force Congress—in a way it never used to have to do—to relate its spending and taxing proposals to one another and then to set deficit or surplus targets as appropriate to the current state of the economy. This the Congressional Budget Committee have done. But sheer inertia has delayed the bill's passage. The Senate would provide that extra \$2bn. in new revenue.

Vosper craft for Brunei

By H. F. Lee

SINGAPORE, August 23.

VOSPER Thornycroft Singapore, a subsidiary of Britain's Vosper Thornycroft, has won a contract to build three fast patrol craft for the Royal Brunei Malay Regiment.

The contract includes the weapon system design and supply of all armaments. The three vessels will be built along the same design as the 37-metre patrol craft built by the parent company for the Venezuelan navy, but the Brunei vessels will be slightly modified to suit the requirements of the Brunei flotilla. The vessels will be delivered in 1977 and 1978.

Australian sales slump

BY KENNETH RANDALL

CANBERRA, August 23

AFTER A booming four months, car sales in Australia slumped by more than 10 per cent. in July to 50,042 units. Reports from within the industry had warned of the sharp drop in sales following price rises, caused largely by the introduction from July 1 of new emission control standards.

The official figures, however, raise a large question mark over an area the Government had lately regarded as providing the best evidence of increased consumer demand and economic recovery. The shadow treasurer, Mr. Christopher Hurford, said to-night that the figures made nonsense of the evidence for recovery quoted in last week's budget. "At best," he said, "the signs of recovery are regrettably, extremely equivocal."

With seasonal adjustment, the drop in registrations from July was 6.8 per cent. but the total was still the lowest since February. Passenger cars accounted for nearly all the reduced sales.

The more detailed breakdown by makes of June registrations was also released to-day, showing gains for Ford

and Toyota, at the expense of General Motors Holden. Holden remained the top-selling range with 23.5 per cent. of the market, down from 24.7 per cent. in May. Ford improved from 21.3 per cent. to 23.9 per cent., and

Toyota from 11.7 per cent. to 13.1 per cent. Datsun (Nissan) Chrysler shipped marginally with 11.4 per cent. and 10 in June while Mazda slipped from 7.2 per cent. to 5.5 per cent.

Ford looks to Greece

BY OUR OWN CORRESPONDENT

ATHENS, August 23

THE FORD Motor Company is looking into opportunities for investment in Northern Greece, Mr. E. D. Williams, the company's president for the Middle East, said here to-day.

Mr. Williams is heading a team of Ford executives who began a three-day on-the-spot survey of investment possibilities in Greece.

The team is scheduled to meet the Minister of Coordination and Planning, Mr. Panayotis Pappaligouras, and the Minister of Industry, Mr. Constantinos Konofagos. They may also be received by the Premier, Mr. Constantinos Karamanlis.

Although Mr. Williams would give no details before the end of the team's visit, well-informed sources said the Ford Motor Company is also investigating

investment opportunities behalf of other American companies. Their interest focuses on Greek Thrace, one of a border areas in which the Government has recently given additional investment incentives.

The sources said Ford is interested in establishing a factory to manufacture auto parts such as car cylinders and batteries export to Europe and the East.

The other American companies are reportedly interested in setting up chemical plants, factories (from stockpiled canned), and leather shoe factories. Most of these works would be export-oriented.

Rapid growth for Brazil fleet

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE PRESENT speedy expansion of Brazil's merchant marine looks set to continue well into the next decade with a shipbuilding programme which could mean a four-fold leap in the size of the domestic fleet.

This is the indication offered by the official brochure published yesterday by the Riomar international maritime exhibition to be held in Rio de Janeiro in October 1977. Riomar is being sponsored by the State Government of Rio and its brochure offers a \$1.18bn. lure to potential exhibitors.

Brazil's current five-year ship-

building programme plans the building of 5.3m. deadweight tons of new ships by 1979. Total investment will be \$3.95bn. including \$1.18bn. of imported marine equipment. Potential business of this size is expected to attract to Riomar many of the world's leading marine equipment manufacturers.

The brochure also reveals that the Brazilian programme for 1980-84 will emerge next year and is likely to be at least as large as its predecessor. If so, this means that Brazil could be a major maritime nation by the middle 1980s with a merchant marine of around 18m. d.w.t. compared to 4.6m. d.w.t. in 1975.

Such a fleet could be a formidable challenge to western operations in South America and its construction also indicates Brazil's intention to bolster its shipping industry.

Despite a heavy domestic building programme, Brazil has been encouraging its Government to base portions of their work on a joint venture with a foreign company to hold export earnings.

Most of these have been offering competitive prices extremely soft credit terms most western yards have been able to match.

BA cargo plan awaits decision

FINANCIAL TIMES REPORTER

The Civil Aviation Authority's approval to allow British Airways to introduce its contract rates package for cargo carried on specified North Atlantic services, raises important issues for airlines.

The airline plans to put the package into effect on September 1, but it is still awaiting approval from the U.S. Civil Aeronautics Board before it can do so. The chances of the board's agreement being forthcoming are rated as no more than fifty-fifty.

On several occasions previously it has turned down similar applications, and although the board has recently been taking a more liberal attitude in the context of its enquiries over passenger fares and cargo rates, it is known to

be under considerable pressure from the three American carriers—Pan Am, TWA and National—operating on the North Atlantic route to reject the British Airways package.

They, as well as all other foreign carriers operating services out of the U.K. to American destinations, would be compelled on competitive grounds to adopt the contract rate concept, and in their representations to the CAB the American carriers are claiming the British Airways rates are uneconomic.

An interesting situation will arise if the CAB does turn down the BA filing; at the present time an "open rate" situation exists on the North Atlantic route and theoretically this enables the airline members of the International Air Transport Association (IATA) to charge whatever rate they like, subject

only to the approval of their own governments.

On the other hand, the CAB should decide to reject BA rates, might justify its position on the grounds that the Be

Agreement between Britain and America does not allow parties to act unilaterally approving rates and between the two countries.

Meanwhile, the CAB notified British Airways that it has rejected the airline's filing to reduce by approximately 40 per cent. specific commodity rates for textiles, woolen other cloth, and to a 10 per cent. rate for plant shipments on services to North Atlantic.

The board said that the failed filing completely violated the requirements of the Be Agreement in making a second gain approval.

W. German steel orders down

BY GUY HAWTHORN

FRANKFURT, August 23

THERE was a heavy fall in overseas orders for West German rolled steel finished products in July. Home bookings were also heavily down and total orders, at 1.62m. tonnes against 2.03m. tonnes, were 20.2 per cent. below the June figures.

Statistics produced by the West German Iron and Steel Industry Association show that bookings, excluding semi-finished products, for hot rolled broad strip and special steels, were 17 per cent. below the average for the first half of 1976. They were also a full 10 per cent. below the figures for July 1975.

Export bookings from the European Economic Community

fell back by 24.4 per cent. from 242,000 tonnes in June to 183,000 tonnes, while orders from countries outside the EEC were back by 38.5 per cent. from 545,000 tonnes to 344,000 tonnes.

Domestic orders also weakened. They fell back by less than 12.2 per cent. from 1.25m. tonnes in June to 1.09m. tonnes in July.

Deliveries in July strengthened slightly as a result of substantial increases in shipments to third countries. Domestic deliveries dropped 5.2 per cent. to 1.25m. tonnes in July after 1.32m. tonnes in June.

Shipments to the EEC came back by 2.8 per cent. from 212,000 tonnes to 206,000 tonnes while exports to third countries went

up by 28.8 per cent. from tonnes to 407,000 tonnes. Overall shipments, at 1.845m. tonnes and export 11 per cent. up on the month, were 1976.

During July, deliveries exceeded orders by 240,000 tonnes. As a result the total order fell back by 5.1 per cent. to 4.63m. tonnes at the end of July.

Home bookings were off cent. at 2.6m. tonnes. The in hand from EEC cut were down 3.6 per cent. at tonnes and the booking p from third countries was per cent. at 1.18m. tonnes.

Anglo-French group wins Moroccan consultancy

FINANCIAL TIMES REPORTER

THE contract for consultancy services for Morocco's first major steelworks involving investment of \$400m. was finalised recently in Rabat between Societe Nationale de Siderurgie (SONASID), the WS Atkins Group of the U.K. and SOFRESID of Paris. Atkins and SOFRESID are in joint venture as the consultants; Atkins providing the overall project management and the engineering and ironmaking, while the French consultants are providing the engineering of all zones up to and including ironmaking. The contract provides for an average of 100 consulting staff over a period of approximately five years. About 60 per cent. will be Atkins staff.

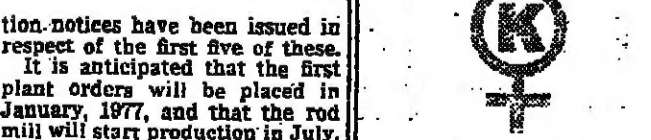
The decision to proceed with the implementation of the project followed the acceptance by SONASID and the Moroccan Government of a feasibility study undertaken by Atkins Planning.

The proposed works will have a capacity of just over 1m. tonnes a year, in terms of liquid steel. The steel will be made from Moroccan lump ore from the Rif Mountains near Nador blended with Moroccan ore pellets and imported ore fines.

The \$400m. project has been divided into 23 major contracts and international prequalifica-

KENNECOTT

Producer of copper-molybdenum-molybdenum oxide-copper-gold-silver-selenium



QUARTERLY DIVIDEND

A cash distribution of 15¢ share (in the form of a check) was voted by Board of Directors to be paid September 20, 1976 to Kennecott shareholders of record as of close of business on August 19, 1976.

F. D. Gorman, Secretary

KENNECOTT COPPER CORPORATION
161 East 42nd Street
New York, N.Y. 10017

NEWPORT

A site for sore eyes.

The only site for business location, a wide choice of sites, excellent communications, and a helpful Council. Design from Tony Green. Industrial Development Officer, Port of Newport, Newport, Gwent, Tel. 0433 65491.



HOME NEWS

Coal Board puts 85,000 houses up for sale

ROY HODSON

NATIONAL Coal Board, to develop new coal seams. The Board has been trying to discard its present housing stock, which is thus a leas one of Britain's biggest housing stock, since nationalisation, old to some modern houses worth up to £7,000 on the open market. It is estimated that present stock consists of 63,000 old houses and 22,000 newer houses. Over the next few years sitting tenants will be encouraged to buy their own homes. The Board will expect to sell at roughly half local valuation prices plus the valuers' fees.

First refusal

Only if sitting tenants refuse to buy will the houses be offered to other interested parties including local authorities and bona fide housing associations. During the last few months some local authorities have shown interest in buying blocks of Coal Board properties, but have been frustrated by the cuts in local authority spending.

Houses will be offered on the open market only after the Coal Board has failed to interest the sitting tenants or the various authorities. A small number of houses near collieries will be retained for pit rescue workers. The Board has no plans to help with special mortgage schemes.

At the last count only one miner in five was living in a Coal Board house. In the pit villages of Wales, Scotland, the Midlands, and Yorkshire, the tenancy of most of the houses has passed to widows of miners, dependants of former miners, and people who have left the industry of their own accord.

The Board said that no sitting tenants would be dispossessed by the decision to sell the housing stock.

Barker and Dobson still pay ex-chairman £1,250 monthly

MICHAEL LAFFERTY, CITY STAFF

ER AND DOBSON, the confectionery and grocery retail chain which continues to make in both its main activities has been paying former chairman, Mr. William McPhail, a month since his resignation in May, 1976. The payments are said to be in compensation, will continue for another six months.

Ronald Aitken, the confectionery division's latest chairman, told shareholders at a general meeting that he only did the payments after he had taken over in January.

It is hoped that Barker's were running at around £115,000 in the retail division. He predicted that the outcome for the year would be "marginal" with the confectionery division hoping to turn in an overall profit.

The company's 1976 accounts were severely qualified by auditors Pannell Fitzpatrick, who declared that they are unable to express an opinion, either on the company's state of affairs at March 31, 1976 or on the loss for the year.

In particular, the auditors were of the opinion that the value of goodwill, which is currently stated at £4.2m, "cannot be substantiated by reference to trading results and is dependent on the value attributable to the confectionery division's trading names, which value we are unable to determine." Mr. Aitken said that in next year's accounts goodwill will be "written down to a figure which can be substantiated." A figure of between £2m. and £3m. may be thought appropriate.

The auditors also pointed out that the 1976 accounts have been prepared on a going concern basis. This assumes that loan stockholders will be prepared to regularise the company's breach of its loan stock covenants, that its bank credit facilities will prove adequate and be renewed in December, and that the closure of some of the group's Oakeshott retail outlets will result in the remaining 43 shops achieving an adequate level of profitability in the short term.

Mr. Aitken also said that the company's programme of disposals of the Oakeshott shops was proceeding satisfactorily. Sales valued at £1.28m. are now in hand—giving a surplus of over £100,000 on their current book value—and properties with a book value of a further £750,000 are also on the market.

Mr. Aitken took over as chairman from Professor Geoffrey Clarkson, professor of business finance at Manchester Business School.

Bulldog 200 has its maiden flight

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE PROTOTYPE of a new light civil and military transport and capable of other uses. Production is continuing of Bulldog 200, has made its maiden flight from Prestwick airport, more than 250 are already in the home of Scottish Aviation. Powered by a single U.S. Avco 200 Lycoming propeller engine, it is a four-seat, low-wing monoplane, with a retractable undercarriage, military variants to expand the company's share of world light aircraft markets.

The prototype will be appearing at the Farnborough show next month. Given an early start, production aircraft are expected to be available by the end of next year.

Policyholders Board raises first levy

BY CHRISTOPHER HILL

THE FIRST of the long-term business levies allowed under last year's Policyholders Protection Act is being raised by the Policyholders Protection Board. Fixed at the rate of 0.25 per cent. of premium income for last year in respect of policies effected after the end of 1974, the levy will amount to £15m. in cash terms.

It will be used to finance interim payments at a 70 per cent. level to policyholders of Capital Annuities (now in the process of liquidation) and to meet other costs of the Board, legal and administrative, up to the end of next March.

An interim payment of 70 per cent. to the policyholders of Fidelity Life (also in provisional liquidation) has already been secured by means of an indemnity.

The Board was set up in November to protect the policyholders of companies in liquidation by drawing where necessary on the funds of the insurance industry.

It is empowered to draw up to 1 per cent. of premium income a year, so the current levy is only a quarter of what might have been drawn, but life companies say that it is policyholders' money which is being used in this way.

Property man must go on trial, sureties told

A WIMPOLE street, London, Spire, the merchant banker, dental surgeon and a merchant banker were told by an Old Bailey judge yesterday that they should be relieved of their responsibilities for Mr. Brauch. Each man had offered a surety of £10,000, and Mr. Brauch had been granted bail in his own recognisance of £20,000.

Mr. Yahuda made his application before pointing out that Mr. Brauch had not been heard of since August 6, and that he had failed to meet the requirements of his bail by reporting to the police each day.

Judge Gillis adjourned the application until September 13, when the trial of Mr. Brauch is due to begin.

He said both sureties had legal obligations and it was in their best interests to try to get Mr. Brauch to appear.

Legal 'watchdog' post for Miss Herbison

MISS Margaret Herbison, a former Government Minister, has been appointed as a "public watchdog" to investigate alleged Scottish Solicitors' Disciplinary Tribunal if agreement could not be reached between the Law Society of public complaints or their employees.

The appointment, which carries a salary of £2,400 a year, is for a two-day week. Miss Herbison, who was announced in Edinburgh yesterday, is a former Labour Party chairman of the Labour Party in 1957, was MP for Leith from 1945 to 1970, Minister of Pensions and National Insurance from 1964-66, and Britain's first Minister of Social Security.

SIEMENS

Information for Siemens Shareholders

International business on the increase

During the first nine months of the Company's current financial year, orders received declined by 4% to £ 3,547 million. Business within the Federal Republic of Germany developed more favourably than the recorded decrease of 10% would indicate, since the Investment Assistance Law in that country positively influenced new orders during the preceding year. International business showed an improvement, rising 3% to £ 1,855 million.

The Company's individual Groups and Divisions showed widely varying trends. After a pronounced low in the preceding financial year, the Components Group has already reported new order gains of approximately 25%, while most other sectors are likewise feeling the first stirrings of a revival. Orders received by the Telecommunications Group, however, are markedly below last year's levels. Siemens expects to close the current financial year, ending 30th September, with a total volume of new orders roughly commensurate with that of a year ago.

Worldwide sales increased 8% to £ 3,210 million during the first three quarters. Here again, international business outpaced domestic and, for the first time in history, will probably amount to £ 2,200 million by the end of the current financial year. This is the continuation of a trend,

begun five years ago, in which static conditions in the electrical equipment market in the Federal Republic of Germany have been accompanied by an expansion of international business. Siemens responded to this trend early on by engaging in substantial investment abroad, thereby simultaneously providing an essential prerequisite for the further development of export sales. The broad geographical distribution of sales helped significantly to ameliorate varying capacity utilization.

The decline in new orders and, to some extent, changes in technology were responsible for a comparable 4% decrease in the number of employees worldwide. The number of employees affected by short time work in the Federal Republic of Germany has diminished from 31,000 to 15,000 since the start of the financial year.

Capital expenditures and investments, net of the first-time consolidation of Osram, remained somewhat below levels for the preceding year.

Inventories were reduced to 35% in relation to sales. The net income of £ 74 million represents 2.3% of sales. The net margin for the entire 1974/75 financial year was 2.4%. Total sales for the current financial year are expected to increase to more than £ 4,500 million.

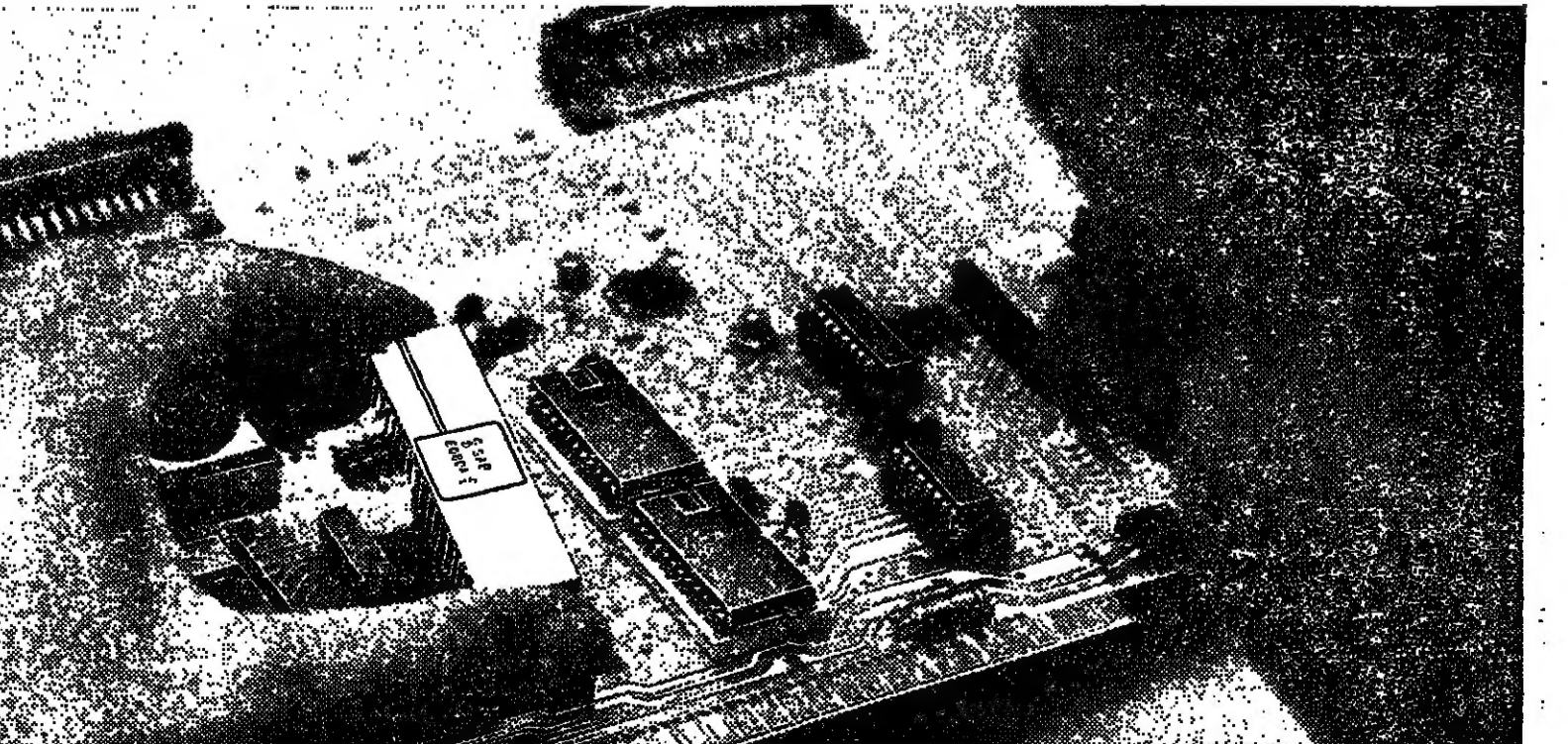
	1/10/74 to 30/6/75	1/10/75 to 30/6/76*	comparable change**
Orders received (in millions of £)			
Domestic operations	2,757	2,655	- 6%
less export orders	915	963	+ 3%
Domestic business	1,842	1,692	- 10%
International business	1,740	1,855	+ 3%
	3,582	3,547	- 4%

	1/10/74 to 30/6/75	1/10/75 to 30/6/76*	comparable change**
Sales (in millions of £)			
Domestic operations	2,206	2,456	+ 8%
less export orders	725	824	+ 10%
Domestic business	1,481	1,632	+ 7%
International business	1,374	1,578	+ 10%
	2,855	3,210	+ 8%

	30/9/75	30/6/76*	comparable change**
Order backlog (in millions of £)	3,780	4,004	+ 6%
Employees (in thousands)			
Domestic operations	207	208	- 6%
International operations	89	96	- 1%
	296	304	- 4%

	1/10/74 to 30/6/75	1/10/75 to 30/6/76*	comparable change**
Employment cost (in millions of £)	1,387	1,562	+ 8%
Capital expenditures and investments (in millions of £)	178	239	
less Osram's fixed assets and investments		[72]	
Inventories (30th June)			
in % of sales	39%	35%	
Net income (in millions of £)	76	74	
in % of sales	2.7%	2.3%	

* Including Osram (since 1st January 1976).
** Because of Osram's inclusion, percentages restated for comparability.
All amounts translated at Frankfurt middle rate on 30th June 1976: £1 = DM 4.589.



Innovation boost from microprocessors

The world market for large-scale integrated circuits is expected to triple by 1980. Microprocessors will account for a large share of this market. In addition to their other uses, they form the nucleus of microcomputers which in turn are

finding wide acceptance, thanks to their universal applicability and economy of operation. Siemens offers a complete line of microcomputers. Here, the compact microprocessor is shown being inserted into one such computer.

Siemens AG

In Great Britain: Siemens Ltd.

APPOINTMENTS

de ZOETE & BEVAN

ECONOMIST

- de ZOETE & BEVAN are seeking to expand their Economic Research Unit and wish to recruit a well-qualified Economist. This appointment offers a highly attractive career, with considerable scope for initiative.
- CANDIDATES, who are unlikely to be less than 30 years old, should have a First or good Second Class Degree in Economics and a thorough working knowledge of macro and monetary economics. Several years of City experience will be a distinct advantage.
- APPLICATIONS, which will be treated in the strictest confidence, should be addressed to K. B. Sinclair at de Zoete & Bevan, 25 Finsbury Circus, London EC2M 7EE.

LEGAL NOTICES

No. 002229 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of G. ARNOLD & CO.
(INCORPORATED IN THE NETHERLANDS)
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

NOTICE—Any person who intends to
appear on the hearing of the said Petition
must serve on or send by post to the
above-named notice in writing of his
intention so to do. The notice must state
the name and address of the person, or
if a firm, the name and address of the
firm, and must be signed by the person
or firm, or his or their solicitor (if any),
and must be served, or, if posted, must
be sent by post in sufficient time to reach
the above-named not later than four
o'clock in the afternoon of the 5th day of
October 1976.

No. 002230 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

No. 002231 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

No. 002232 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

No. 002233 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

No. 002234 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

No. 002235 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

No. 002236 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

No. 002237 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

No. 002238 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

No. 002239 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

No. 002240 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

No. 002241 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

No. 002242 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

No. 002243 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

No. 002244 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

No. 002245 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

No. 002246 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

No. 002247 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

No. 002248 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

No. 002249 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

No. 002250 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

No. 002251 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

No. 002252 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

No. 002253 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court,
in the Matter of SELLER LIMITED and
in the Matter of THE COMPANIES ACT 1948,
NOTICE IS HEREBY GIVEN, that a
Petition for the winding up of the above-
named Company by the High Court of
Justice was presented to the said Court
on the 17th day of August 1976, and that
the said Petition is directed to be heard
before the Court sitting at the Royal
Courts of Justice, Strand, London, W.C.2,
on the 11th day of October 1976, and
that any creditor or contributory of the
said Company desirous to support or
oppose the making of an Order on the
said Petition must appear at the time of
hearing, in person or by his counsel, for
that purpose; and a copy of the Petition
will be furnished by the undersigned to
any creditor or contributory of the said
Company requiring such copy on payment
of the regulated charge for the same.
Wm. F. PRIOR & CO.,
25, Finsbury Circus,
London, EC2M 7EE.
(Ref: PO.)

HOME NEWS

McALPINE YARD LEADS U.K. IN NEW FIELD

Trend to barges

BY LEWIS THORNTON

SEVERAL OF THE U.K.'s order-
less oil platform and module
yards are turning to the new
concept of floating barge-
mounted installations and plant
in their search for diversifica-
tion.

This field, offering what many
offshore experts think will be
the next main marine construc-
tion market, is still so new that
only about three structures of
the kind exist or are under
construction—a gas liquefaction
plant, a wood pulp plant, and a
power generating station.

The idea is that a large con-
crete or steel barge is built and
on top of it is put a self-
contained power/pump/gas pump-
ing/desalination/ammonia, or
even hotel unit, complete with
living accommodation for its
crew. After construction it is
towed to its destination, probably
a remote part of a developing
country, and set to use either
floating or in a dredged site.

Threat

Over the past few months at
least two companies have been
studying the potential of this
market, and possible designs. At
present the leader as far as the
U.K. is concerned is Sir Robert
McAlpine, whose Ardyne Point
concrete platform yard on the
Clyde will be virtually closed
by the end of this year unless
new work is secured.

Such a project would be costly,
approaching £100m. The ConTech
LPG barge costs more than £20m.
A floating wood pulp installation
under consideration by ICI of
Japan in conjunction with
Universe Tankships of Liberia
has been estimated at more than
£150m.

The latter project illustrates
the almost limitless possibilities.
ICI would build at its shipyards
two huge barges for the plant,
which is capable of turning out
250,000 tons of pulp a year.

They would be towed to a per-
manent location 250 kilometres

up the Amazon to utilise un-
developed Universe Tankships
wood resources in Brazil. It has
been found very difficult to build
a land-based pulp factory in a
rainy, humid area.

British-based platform con-
structors known to be contem-
plating diversification into other
marine concrete structures in-
clude Anglo Dutch Offshore Con-
crete, whose Government-backed
yard at Hunterston on the Clyde
has yet to win an order.

It may be that the U.K.'s
troubled platform industry will
provide the basis for a national
move into this embryonic market.
If that is to happen decisions must
be taken soon, as there are signs
from all over the world that the
concept is regarded as a possible
alternative to the expected con-
traction of the shipbuilding
industry.

If the Japanese, Americans and
other leading maritime nations
swamp the market before it
really gathers strength the U.K.
will have lost another oppor-
tunity.

While McAlpine is hoping for
at least one of the few platform
orders expected this winter, its
engineers, in co-operation with
three design consultancies and
the National Engineering
Laboratory at East Kilbride,
have been developing a cellular
concrete barge suitable for
building at Ardyne.

The design won a merit award
at May's Houston Offshore Tech-
nology Conference and is suit-
able for a wide range of applica-
tions from harbour caissons
through oil storage tanks to
plant-carrying barges.

Mr. Bill McAlpine, the com-
pany's Scottish director in charge
of the £20m. Ardyne operation,
the U.K.'s largest concrete con-
struction facility, said that the
company was carrying out feasi-
bility studies of chemical plants
for the Middle East and oil
storage tanks for the North Sea.

McAlpine is also understood
to be negotiating a licensing
bargain from John Brown.

There is a possibility
joint venture involving a
large barge, supporting Weir's
linked to a power gra-
bling from John Brown.

Miss Elizabeth Frink be-
came the first woman to be
appointed managing director
of SANDERSON & CO.
Upport, following the early
death of Mr. H. Gwynn J.
through ill health.

Mr. F. V. Baden w
appointed deputy chair-
man of a Furness
subsidiary. From September
he will be succeeded
by Mr. J. P. Al
the current general m
who will be succeeded
by Mr. R. Burke. Mr. D. W.
to become works man-
Burntwood and London
tions.

Mr. Jack R. McNally, man-
aging director of BECKMAN INSTRU-
MENTS, has become chairman of
Beckman Instruments (Holding)
Beckman Instruments and Beck-
man-RIC. Mr. John C. Wynne
has been appointed to succeed Mr.
McNally as managing director,
European operations.

Mr. William D. Finlay has
succeeded Dr. John A. Ryan as
director of the BANK OF IRELAND.
Mr. Robert C. Lewis-Crosby will
continue as deputy governor.

Mr. H. Black, deputy managing
director of B. AND E. BOILERS,
is to be managing director from
September 1, to succeed Mr. C. H.
Fawcett, who has resigned to set
up his own business as a consult-
ing engineer.

Alcan Aluminium's Atlantic
Region has formed ALCAN
MANAGEMENT (EUROPE) S.A.,
registered in Luxembourg. The
chairman is Mr. P. J. R. R. R., joint
managing directors Mr. P. J. R. R.
and Mr. L. Suchovskiy, and the
other directors Mr. C. W. Birkett
and Mr. C. W. Birkett.

Mr. H. Black, deputy managing
director of B. AND E. BOILERS,
is to be managing director from
September 1, to succeed Mr. C. H.
Fawcett, who has resigned to set
up his own business as a consult-
ing engineer.

Mr. H. Black, deputy managing
director of B. AND E. BOILERS,
is to be managing director from
September 1, to succeed Mr. C. H.
Fawcett, who has resigned to set
up his own business as a consult-
ing engineer.

Mr. H. Black, deputy managing
director of B. AND E. BOILERS,
is to be managing director from
September 1, to succeed Mr. C. H.
Fawcett, who has resigned to set
up his own business as a consult-

ANTHONY HARRIS

acceleration in monetary growth in July, announced yesterday that Greenwell's figure expanded slowly over the last year, but was disturbing. "One buoyant month in isolation would be of little significance," he comments, "but the current behaviour of the bill issue suggests that any buoyant growth has continued."

It expected the very rapid growth of private lending by the banks, which has been stimulated by the rise in sterling in the international exchange markets to slow down soon.

In Whitehall, it is conceded that the public sector borrowing requirement must be expected to rise sharply from the next 12 months; as in the last two years a large increase in borrowing seems probable in the autumn months.

It is further conceded that the underlying growth of the money supply has probably been in excess of the semi-official 'target' growth rate of 4 per cent, a disturbing situation for a period of 18 months. The full impact of the Government's deficit has not been felt.

While it is possible that, as some City estimates have suggested, the public sector borrowing requirement will actually fall significantly below the £111bn. estimate given by the Chancellor in July, this cannot be taken for granted; and no relief from reduced borrowing would be expected to be apparent until the latter months of the financial year.

Editorial comment Page 12

By John Wyles.

BRITAIN'S SHIPBUILDING industry is to lose the services of two of its top executives after nationalisation later this year. Mr. Tom Melver, managing director, and Mr. James Jardine, financial director, of the Swan Hunter Group, confirmed yesterday that they were staying in the private sector.

Both men will remain with the group whose nine shipbuilding, shiprepairing and marine engine subsidiaries are due to be taken over by British Shipbuilders providing the Government's legislation is successful.

Earlier this year members of the British Shipbuilders organising committee had hoped that Mr. Melver, aged 58, might be tempted to drop his opposition to nationalisation and accept a position as the new chairman of the group. Mr. Melver, chairman of Swan Hunter's shipbuilding subsidiaries, he is widely respected within the industry and was the choice of Mr. McGarvey, president of the Boatmakers' Amalgamation, for chief executive of the proposed State corporation.

"We always said we would not be nationalised," said Mr. Melver yesterday. However, he and Mr. Jardine expected to

BY PETER HENNESSY, LOBBY CORRESPONDENT

THE ARMITAGE Committee, set up by the Prime Minister to review the rules governing the political activities of civil servants, will be instructed by a senior civil servants' union not to ease the restrictions on the highest grades of the Civil Service.

The First Division Association, which represents 9,000 civil servants, including all 53 permanent secretaries, at the summit of the Civil Service, will express its opposition to any relaxation.

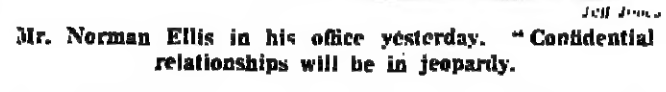
Mr. William Kendall, general secretary of the national staff side of the Whitley Council. The association will ask that they be referred to the Armitage Committee.

Mr. Norman Ellis, a general secretary of the FDA, said yesterday that any relaxation of the rules for the grades represented by the association would mean trainee to permanent secretary could jeopardise the confidential relationship between Ministers and their Civil Service advisers.

The FDA is out of step with other Civil Service unions on the issue of maintaining the Staff Side, as a whole, wants restrictions limited to a requirement that a civil servant wishing to play an active part in national or local politics should notify his department of that intention.

The department would have one month in which to argue that the nature of the official's job meant that political activity on his part would be against the public interest.

Disputed cases would go to a tribunal. Under the scheme a



By Rhys David

ANOTHER big U.S. oil company, Mobil—operator of the Beryl field in the North Sea—has begun talks with the Government about participation.

A joint statement yesterday by Mobil and the U.S. Department of Energy said that preliminary discussions had taken place.

The British National Oil Corporation, which would acquire an option to buy 51 per cent of production under a participation agreement, would take part in future meetings.

Four participation agreements have been reached—with Gulf Conoco, Tricentrol and Ranger—and the Government and the U.S. OPEC have also agreed on the principles of participation with BP. Talks have been held with more than a dozen companies. Among those negotiating with the Government are Shell, Esso and Chevron.

The Department of Energy said yesterday that the next round of meetings with the Beryl licensees would discuss terms to meet the requirements of Government policy and be acceptable to the individual companies. The companies have apparently told the Government that they regard as very important to obtain a substantial volume of oil meet individual long-term needs.

OUR BELFAST CORRESPONDENT

ARMAGEDDON ARMY chiefs began an investigation last night yet another incident by plainclothes British soldiers, one a young man, were arrested in a van containing a number of people. The driver, Mr. James McCooley, from the nearby Co. Monaghan town of Castleshane, tried to convince the soldiers that they had strayed some yards across the marked frontier, but the soldiers were equally adamant that he had driven into Ulster.

Local police, who questioned the soldiers, told them that they were in the Republic. They were taken to Monaghan police station, but later escorted back to the border, to return to their base at Middletown, Co. Armagh.

Army sources said the soldiers were from the Royal Regiment of Fusiliers, stationed in South Armagh.

● In a Belfast court yesterday, Mrs. Maire Drumm, vice-president of Provisional Sinn Féin, made a second appearance accused of taking part in an illegal march in the city earlier this month, marking the anniversary of interment without trial. She again refused to accept bail and was remanded in custody for a further eight days.

table below gives the latest available rates of exchange for the pound against various currencies on August 23, 1978. In some cases rates are nominal. Market rates are the rate of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated in terms of those foreign currencies to which they apply.

Exchange in the U.K. and most of the currencies listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not applicable; (n.q.) no direct quotation available; (ss) selling rate; (bg) buying rate; (nom.) nominal; (ex/c) exchange certificate rate; (P) based on U.S. dollar parities and going sterling-dollar rate; (Bk) bankers' rate; (Bsg) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

[illegible]

BY ARTHUR SANDLES SALT LAKE CITY, August 23.

THE AMERICAN Government is growing alarmed about the U.S. dollars disappearing into the tills of British hotels and stores and launching a determined counter-attack to encourage more Americans to visit the trip the other way. Many U.K. tour operators have been invited to the U.S. for intensive briefing here in rain-soaked Salt Lake City to encourage the flow.

As a result of the weakness of the dollar recently, Britain is still America's second most important overseas supplier of tourists. Canada and Mexico are, of course, more significant sources of tourists for the U.S. States last year, compared with 746,254 Japanese and one hundred 300,000 Germans.

The British and Japanese visitors have fallen off somewhat, but the German visitors is virtually unchanged. This is probably due to dollar strength and the rapid recent rise in international air fares.

Americans are bitterly disappointed especially as American visits abroad have gone up by 17 per cent, producing a \$933m. tourism deficit.

So hundreds of tour operators and travel agents, including nearly 50 British, have had their fares paid to Salt Lake; are getting luxury hotel rooms at a special \$10-a-night rate; and are being whisked all over the U.S. after the conference, on special "familiarisation tours."

Representatives of well-known travel agencies like Air Travel, Lunn Poly, Thomas Cook, Jet-set and LEP are getting liberal hospitality which somehow manages to by-pass the regulations in this reputedly "dry" Mormon city.

They are staying in cheap or dirty movie houses—features of so many convention cities—but the refreshing chance to change travel cheques at Zion's First National Bank.

BY TERRY DODSWORTH, MOTOR TRADE CORRESPONDENT

the seven months of this year indicate that the industry is well on course to better the 15-year record achieved last year. Registrations went up from 140,000 to 153,500 during January-July.

The London motor-cycle show is likely to boost sales next month and the industry hopes that at year's total will be well over last year's 270,000 registrations.

The increase is entirely due to motor-cycles proper—vehicles with more than 50 cc. Sales of mopeds and vehicles of less than 50 cc have dropped from 60,300 in 1967 to 52,000, but sales of the more popular larger two-wheelers have risen from 57,000 to 102,000.

Mopeds will come into force in August next year, when a moped will be redefined as a machine of less than 50 cc engine capacity with a maximum design speed of 30 miles per hour.

Dr. John Gilbert, Transport Minister, said changes in the legislation before Parliament yesterday.

He made the move because, according to the Department of the Environment, there has been an "unwelcome" increase in the number of accidents suffered by young riders in recent years.

From next August, 16-year-olds will be able to ride only the damped-down mopeds. Riders must be 17 before they can upgrade to larger, more powerful machines.

CAN the aluminium pro- Though Britain is Alcan's main

The move reflects a view that the group should be considered one market. Joint activities in all the areas have now been undertaken.

electrocomponents limited

“Record sales and profits reflect the ability and enterprise of the group” reports R A Marler, Chairman.

- * In the year to 31 March 1976 we made good progress with increases in both turnover and profit; a considerable achievement during a depressed economic period especially as the Price Code required us to trim gross margins substantially.
- * A final dividend of 2.25939p per share makes a total of 4.07939p – the maximum permitted.
- * Increased turnover resulted mainly from competitive prices and a substantial increase in product ranges. Our largest operating subsidiary, R S Components, handled over a million orders during the year.
- * Although the amateur market has great potential, Doran Electronics suffered from the depressed markets during 1975. However, the VAT reduction to 12½ per cent is assisting sales this year.
- * At Radio Resistor turnover increased marginally but sales in 1976 now show an encouraging increase. Electroplan produced better than expected results and although Reading Windings had a difficult year, there are signs of some improvement in 1976.
- * The aim of the Board remains soundly based long term profitability. The Group is capable and ready for further growth and we continue to investigate possibilities in Europe.

Turnover £ million				
7.2	9.6	12.8	15.9	
73	74	75	76	

Pre-tax profits £ million				
1.58	2.08	2.50	2.85	
73	74	75	76	

Earnings per share in pence				
9.2	11.5	12.1	13.6	
73	74	75	76	

*Copies of the full Report and Accounts can be obtained from the Secretary,
Electrocomponents Limited, 15-17 Epworth Street, London, EC2P 2HA.*

Britain's biggest electronic components distributor

SIEBE GORMAN

HOLDINGS LIMITED

12th consecutive year of increased profits

Board recommend final dividend of 2.75p per share on share capital as increased by 1-for-4 rights issue, making total for year of 4.55p net (1975, 3.67p). Covered 3.1 times by profits after taxation.

Chairman Mr. G. C. D'Arcy Biss reports:

- Group trading profits £2.86m.
- Group has demonstrated its overall strength by maintaining its margins despite overseas trading conditions of exceptional difficulty.
- UK profits increased by 23%.
- There are firm indications that demand for our products, particularly overseas, is growing once again, and the Board is confident that the current year will be a successful one.

The Siebe Gorman Group designs and manufactures advanced technology underwater products, industrial safety, survival and fire fighting equipment. Current turnover to third parties exceeds £26 million.

Leylan faces new threats

RUSSINE

FREE AND

ESS AND

INVEST

two other British factories—at Tamworth and Biggleswade, which have a combined workforce of 880.

STATEMENT

Trico's management says that he pay differential resulted from a material difference in the men's work and not because of their sex.

MR. BILL BRADLEY, national industrial officer with the General and Municipal Workers' Union for the last three years, charge of the construction industry since 1973. He was chairman of the joint wages Board for building and civil engineering.

be paid until a year after the main payment of the purchase price.

OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

In England:
Andersen & Bruun (England) Limited
The White House.
Stoke Park, near Slough, Berks.

Or write to Mr. Al-Zamel:
P.O. Box 2233
Jeddah
Saudi Arabia
Telephone: Jeddah 54415/52126

Write A. H. Engineering Limited,
39 The Broadway, Wimbledon, SW19
or phone 01-542 4278/9 or 01-542 027

Fully Portable—Fully Computerized Mairan, 500 bbl, Mineral Filler, T-450 kw. Portable Generators, CMF Auto Pulse-Rac House, 17-10 Chaffee Heater and Storage, 60,000 Gallon This is a LOW TONNAGE UNIT. We consider selling the components. Plant located at Flint, Michigan, US Price: \$618,000.00.

Write Box E-8523, Financial Times, 10 Cannon Street, EC3P 4BY.

involved in the Computer and High Technology Markets seeks interesting propositions. Investment available.

Write Box E-8534, Financial Times, 10, Cannon Street EC4A 3DF.

WEST YORKSHIRE
requires finance of £150,000 against
hold land and signed building
plans for detached residential home
by Box E.8536, Financial Times
10, Cannon Street, EC4A 4BY.

Principals only in writing to:
A. C. Palmer & Co.,
Provincial House,
37 New Walk,
Leicester.

Agents/distributors required for a new range of industrial pressure gauges. Must have a first class sales organisation capable of achieving a significant level of sales.

setting up operations in Dubai would be interested in taking on franchise for construction equipment in the area..

Write Box E.8528, Financial Times
10, Cannon Street, EC4P 4BY.

Products
Well established and profitable building company has interest in acquisition for companies with existing and provable future market outlets. R.P. This proposition could be made to members of CIB.

We wish to purchase control of companies engaged in mail order publishing, small or large.
Write Box E.8525, Financial Times
10, Cannon Street, EC4P 4BY.

International Director, Finoma AG, P.O. Box 115, CH-8750 Glarus, Switzerland

Write Box E.8526, Financial Times, 10, Cannon Street, EC4P 4BY.

Full Service is our Business

- Law and Taxation.
- Mailbox, telephone and telex services.
- Translations and secretarial services.
- Formation, domiciliation, and administration of Swiss and foreign companies.

Full confidence and discretion assured.

Business Advisory Service
3, rue Pierre-Fatio,
1204 Geneva.
Tel.: 36.05.40. Telex: 23342.

A subsidiary of a major American Corporation, prominent in the fields of Aeronautical and Electronic Engineering wishes to make contact with other companies seeking either consultant or manufacturing expertise in the above areas. The Company has a fully equipped facility and all products are produced to a high standard of manufacture.

Supers' investment opportunity offering high return. Nationally known Central London site acquired.

£200,000

Required to develop facilities

Companies or Private Investors interested in investing a minimum amount of £50,000.

Write Box E.8529, Financial Times,
10, Cannon Street, EC4P 4BY.

London-based sales organisation with capital available seeks involvement in exporting. Advertiser is ideally willing to meet export house proprietors of business with expansion potential with a view to partnership or takeover after transitional period. (Continuation of employment of existing staff important).

Replies in strict confidence to E.8531, Financial Times, 10, Cannon Street, EC4A 3RY.

**OLD ESTABLISHED PRIVATE
ENGINEERING COMPANY**
in North West engaged in the design,
fabrication and erection of all types of
structural work, with national govern-
ment clients. Company has approx. 50
employees, owns its own premises and
has room for expansion. Reason for
sale is pending retirement of sole
director.
Apply in the first instance to Box
E.8527, Financial Times, 10, Cannon
Street, London, EC4A 3DF.

DRK LIFT TRUCKS. Second hand but as like new. Choice of 100 trucks at prices below a half cost of new! 1st price to 25 tons, ready for immediate delivery. Trade and export welcome. Large reduction on bulk purchase, and photographs on application. Birmingham Fork Lift Truck Ltd., 81 High Road, Salford, Birmingham B8 1H.

1050 Brussels, Belgium
'Going concern' offers are due September 1, 1976; all other offers are due September 30, 1976. See "Invitation for Offers" for complete details.

Industrial colony in different towns in the borough of Sigmaringen
of Constance, South Germany. The borough offers excellent co-
operation of business.

Interested, please contact:
Herrmann Sigmaringen, Karlstraße 15, 7400 Sigmaringen, West Germany

...then you interest us.
...portunity is fee earning only.
...single fee can be substantial.
...work is property orientated.
...ally concerns Scotland. Em
...lete for Ex Sales Director
...seek successful men with "an
... Full training given
...ance. No cash involve
... in complete confidence (p
...ified) and all sensible c
...ance answered.
... Box E.8530, Financial
... 00 Cannon Street, EC4A 3B

Limit your annual overhead to £25 by using our Telex Service. Send and receive telex using your phone. We provide copies and can arrange a list of the Telex Directory for you. May we send our brochure to you?
01-405 4442 - 01-404 5444
British Monomarks (Est. 1964)

COMPANY SEARCHES
ESS CO. REGISTRATION LTD
30. City Road, E.C.1.
01-628 5434/8/7361/8936

23 Bruton Street
London W1X 8HQ
01-493 0197/6745

ORGANISATION
London HQ opening up NY office
Director visiting NY from second
September interested to promote
exports of products and tech-
nology. Please apply: Intermercantile
Dept. 114, New Cavendish Street,
London EC1R 6JF.

Executive Desks in rosewood, mahogany, Boardroom Tables, Chairs, Typists Desks, Cupboard Filing Cabinets, Book Cases, Cabinets by Kardex, Removable, Draughtsmans Stands, and Graming Recorders. Adly Olympia Typewriters: 400' Steel Office Partitions. No reasonable offers refused. Call Baim, Month or August

HOUSING • CONSTRUCTION CAMPS • CLINICS • OFFICES • SCHOOLS

Phone: Milton Keynes (0908) 74971 Telex: 82468

The Management Page

EDITED BY JOHN ELLIOTT

MOTOR PRODUCTION

BY TERRY DODSWORTH

U.K. car engineer hits out at group assembly



Mr. Alec Sanders who was planning engineer of Rover's new car plant and is now managing director of Alfred Herbert's Coventry plants.

jects that took him to Japan and Russia. During the time of the new Rover facilities one of the largest "green fields" projects in the British industry since the war—the visited Volvo to study its production methods.

Despite his views on the Swedish experiments, Mr. Sanders eventually incorporated an element of the group method into the Rover plant: the assembly lines are organised so that individual work stations can be split into a number of groups where workers can interchange jobs. But this method does not compromise the basic line concept of production hit on by Henry Ford at the turn of the century.

Questioned on the ideas behind the new plant when he delivered the Viscount Nuffield Memorial Lecture recently, Mr. Sanders laid great emphasis on efforts which have been made to improve working conditions. The workers themselves had been brought into the discussions on the organisation of the plant; and he attributed many of the ideas for the particular kind of group working for which he has planned to the experience of Land Rover production.

Perhaps the example of the Land Rover proves that production engineering, even in the volatile motor industry, depends on gentle evolution. This vehicle, after all, was invented 28 years ago.

GROUP WORKING methods, hailed in Sweden a few years ago as the panacea for boredom on the assembly line, are today under growing attack in the motor industry. Some American car workers, as reported recently on this page, have seen no particular merit in the system; and their views have now been given support from a rather different standpoint, by Mr. Alec Sanders, who was the planning engineer of British Leyland's new Rover plant.

Mr. Sanders' attitude to the Swedish experiments is quite simple. Multi-assembly groups, he says, are "not on" in large car factories. The technical problems of getting materials, parts, manufacturing equipment and controls on to one assembly line are massive in themselves, he argues. When those problems are multiplied several times by splitting up the production process between a number of different work stations, the problems are needlessly intensified.

The reason why the Swedes adopted the system despite these problems was that some of their car plants had an appalling record of absenteeism, claims Mr. Sanders. This meant that traditional assembly line techniques, which demand constant manning to keep the work flow going, were almost impossible to operate because a long production line can be crippled by a breakdown in one area. The alternative was to split the line into smaller units, most of

which could be kept going even when absenteeism was high. Mr. Sanders, who has moved from Leyland to become managing director of Alfred Herbert's Coventry plants, has a wide range of experience in the motor industry. In the 1950s, when awarded the Spencer Travelling Scholarship, he examined production methods in a variety of European companies. He spent the 1960s working for the P.E. Consulting Group on motor industry pro-

The legal problems of employment

EVERY WEEK the Industrial Society receives dozens of queries about good employment practice and some of these have now been incorporated into the latest edition of its reference book — Legal Problems of Employment.

The book, which uses clearly numbered questions and answers throughout, is designed for use by managers, personnel officers and trade unionists. It is divided into six sections, covering industrial relations, terms of service, the Trade Disputes Act, factories, offices and shops, industrial accidents and general matters such as can-

given are concise and remarkably free from legal jargon. There is a good index and the book is laid out extremely clearly. Where necessary further references have been given so readers can check on any queries that are not fully covered in the book.

The original version of this book was written by the late Mr. Harry Samuels and published in 1951. The latest edition has been revised with the help of a barrister, Mr. Neville Stewart-Pearson. Legal Problems of Employment: The Industrial Society, 48, Bryanston Square, London W1H 8AH. £4.

All the questions and answers

LAING

for tomorrow's
BUILDING, CIVIL
& INDUSTRIAL
ENGINEERING

particularly kept the operator's needs in mind. There is a 12 inch diagonal screen that displays, in its standard form, 960 characters in 12 rows of 80. An optional feature permits the display of 1,920 characters in 24 rows—it is the only unit of its kind to offer this, claims the company.

Keyboard is modelled on that of a standard typewriter, with the possible addition of a 10-key pad for purely numeric data. The built-in contrast character formation is in a 7 x 5 dot matrix.

When a new line of information is entered it makes its appearance at the bottom of the screen and moves upwards with all preceding lines. In the next new line is keyed in. Additional control keys enable the operator to clear the screen, overwrite characters, line feed, carriage return, space, and backspace. An addressable cursor is optional.

COMPONENTS

Controls the flow

WHERE there is a need for liquid flow rate to remain between an upper and lower limit, say in pressurised lubricating systems and heat exchangers, the DWIS flow switch from Krohn Measurement and Control should prove useful.

The principle used is that of a hinged disc which moves against the tension of a spring via a pivot. There is an equilibrium position for each value of flow, and a magnet installed on the non-immersed end of the arm which carries the disc is used to operate reed switches located at the precise positions corresponding to upper and lower flow rates. Versions are available for both clean and dirty fluids, and all the switches are supplied with a simple indicator for visual flow control and to help in setting the limits.

The simple design is relatively inexpensive but robust and maintenance free. It can be installed in any position and by the use of an intrinsically safe current circuit, in hazardous areas as well. More on 0604 495794.

By arrangement between the Financial Times and the BBC, information from The Technical Pages is available for use by the Corporation's Electronic Services as source material for its overseas broadcasts.

hopeful of an economic upturn, many companies are opting for takeovers rather than starting capital investments in their own businesses. Margaret Reid reports.

Strategies behind the bids boom

TAKEOVER "HAS" once and private companies, of become one of the most £2.53bn. These included such as Grand Metropolitan, the purchase of the bid boom in the vocabulary after two years in which it had been little because of the sharp ebb of activity.

The volume of deals place now is still much had it was then, but the movement has staged enough comeback to created the position where of bids are now on the room tables of publicly companies, compared a third of that figure at art of this year.

However, there is every view that the increase in takeover activity will be further. There is a read view that the trend from the low level of prices which is making businesses attractive bar-bays at even more than present stock market lions.

Thus, there are parallels he movement in the 1950s the term "takeover" was coined as Sir Charles Clove then spotted the advent of increasing assets by acquisition of companies at then subdued prevailing of share prices.

mainly the City's attention now being increasingly on the reasons for the ending procession of new proposals, as high- for example by Tate yie's £40m. contested offer in sugar and starch com-

mandré and Garton and Kingston Brothers' £24m. bid, opposed by U.K. I and Industrial Holdings, though the total value of offer has increased ex-actly this year. It is still odest level compared with the high noon of the er movement in 1972. In ear, in the wake of new in stock market prices, 40-offers for public companies show a further rise since some gh issues of new shares "than cash—reached an acedented total for public

One factor which could have some effect on the pace of the

SOME CURRENT TAKEOVER BIDS

Company bid for	Value of bid	Bidder
Manbré & Garton	4m.	Tate & Lyle
Second Scottish Invest. Trust	40.1	Scottish Invest. Trust
U.K. Optical	39.4	Pilkington Bros.
AD International	24.3	Dentsply Int'l.
Odeco Rascan	19.5	Peterson Zochonis
Wingate Invest.	5.3	Geo. Wimpey
Windsor	5.2	Reckitt & Colman
Windsor & Newton	7.3	Lectra
Beyer Peacock	4.8	Natl. Chem. Inds.

posed get-togethers appeared to be of a "conglomerate" or mixed, character, involving links often with no very obvious industrial logic. A growing number of references to the Monopolies Commission—which came out against the competing big bids by Beecham and Boots for Glaxo, and by Boots for House of Fraser—further dampened the trend.

Thus, from a record £2.53bn. In 1972, the value of takeovers dropped to £1.3bn. in 1973, falling further to £508m. in 1974 and only £281m. in 1975. This year, though, there has been a steady increase in successful bids—to £164m. in the first six months, compared with only £98m. in the same period in 1975. And there is little doubt that the current quarter will show a further rise since some 40-offers for public companies are now open.

Time-saving is one primary motive. "By bidding for another concern with its existing productive equipment, you can buy the whole shooting match for less than it costs to put it up from scratch—and save 12 months" said one merchant banker, who stressed that problems of getting new development consents were thus avoided.

"If there is to be an economic revival—and the Government wants to see capital expansion by firms—this is the way to prepare for full recovery which will probably come in 1978," he added.

The fact that price and dividend controls are holding down companies' share prices to below the value of their assets for is also an encouragement to take the bid route to expansion. All the signs are that both in the City and in Whitehall this factor is recognised as having given the merger trend a new boost.

After the near-standstill in bid activity in 1974 and 1975, there is a fair hacking of get-together projects coming forward now for which a good deal of industrial logic may be claimed. How sound these are in individual cases is debatable, but there is not much dispute that the process of industrial development creates some need for horizontal and vertical integration—and by normal standards there has been relatively little for two years.

Against this background, there are signs that Whitehall is not trying to snuff out all contested bid activity—and will not automatically use the Fair Trading Act to refer every controversial big case to the Monopolies Commission, though it may certainly do so in some cases.

A noticeable feature of the recent upsurge in bids is the much higher proportion where a cash price, as distinct from shares of the bidder, is offered. Official statistics show that in the second quarter of this year 89.1 per cent. of the price of all takeovers was met in cash, with only 10.2 per cent. in shares and 0.7 per cent. in fixed interest securities.

By contrast, in 1972, when share prices were high, only 18.5 per cent. of the consideration for successful bids was in cash, 57.8 per cent. in shares and 23.9 per cent. in fixed interest form. Of more recent offers, Tate and Lyle's for Manbré is in cash or convertible loan stock, Pilkington's for U.K. Optical in shares and cash, while Wimpey's £5.2m. agreed bid for Wingate Investments, Dickinson Robinson's agreed £3.8m. offer for Royal Sovereign and Associated Newspapers' £21m., also agreed, for J. M. Newton, are all either in cash or in shares with a cash alternative.

With the marked improvement in companies' liquidity over the past year, following the tax relaxations of late-1974, many bidding companies find no difficulty in putting up cash for takeovers.

City observers also suggest that cash is more acceptable to investors now that many people have considerable accumulated capital gains tax losses after the stock market's tumble in

1974. Realised gains obtained through a good cash bid can be set off against these losses and do not bring any liability to pay tax. In 1972, a realised gain would have been much more likely to bring an unwelcome capital gains tax bill.

It is also claimed in some quarters that, in present subdued stock markets, many investors are anyway quite glad to sell in response to a reasonable bid and get the cash safely home, as a protection against the risk of future falls in share prices.

Another point made sometimes is that, with the decline of the private investor, who traditionally accounted for much of the activity in shares of smaller companies, the investing institutions with shares in such concerns find it more difficult to deal in them and may welcome bids as the best way of cashing their investment.

Bargain hunt

Another trend at the moment is the increase in bids by "bargain hunting" foreign interests which have been encouraged by the fall in sterling to make offers for British concerns at prices which seem very reasonable in terms of their home currency.

Whatever the exact considerations which have prompted them, there have been several overseas bids lately, notably that of U.S. for the dental equipment concern AD International, Kenya Nord's £3.2m. offer for seed suppliers R. and G. Cuthbert, and that of £2m. by the Saudi Arabian-controlled National Chemical Industries for the engineering concern of Beyer Peacock.

All these bids, as is usual with foreign offers, are in cash, and, as is also customary in offers from overseas, agreed with the Board of the company bid for—in the case of AD International only after initial disagreement.

While share prices remain subdued by price and dividend curbs and the pound stays at its present level, then—against the background of a quickening and expanding economy—the bid boom can be expected to grow.

The Technical Page

BY ARTHUR BENNETT AND TED SCHOETERS

METALWORKING

Magnesium castings cut costs

OF the U.K.'s major competitors appreciate the uses of magnesium alloy castings. They are used in Germany in a wide range of applications, in office equipment, in the automotive industry (around 100 tons/VW for example).

In Flat subsidiary uses the "special road wheels" on it is used for motor-glasses and in Austria in equipment, such as portable power tools, audio gear and similar applications. U.K. there is not a wide because of its high weight ratio it is best for applications in the s. industry. But the castability and thermal stability of magnesium alloy, ideally suited to the pressure die-casting process, in the opinion of a company specialising in field British industry

should take another look at the possibilities.

Using hot chamber machines, electric furnaces and the latest flux-less melting technique the production operation is said to be quiet, clean and time-free. The equipment is capable of producing intricately designed components, some with very thin walls, at high production rates, and the company is already supplying parts for portable power tools, audio gear and similar applications.

In an endeavour to convince more U.K. designers of the commercial and technical suitability of magnesium alloys for general use, replacing zinc and aluminium, and to break away from the traditional view that magnesium is expensive and only suitable in sophisticated and non-cast sensitive areas, the company points out some of the advantages.

Making a comparison with aluminium, the company says a manufacturer using magnesium alloys could expect at least 30 per cent. longer die life and about 80 per cent. faster machining times for components—the figures are even better in a comparison with zinc.

Aluminium is about 1½ times heavier than magnesium, and zinc is four times heavier, so that for the same weight of material many more components can be produced in magnesium than in aluminium, or zinc. Finally, the company says, that raw material supplies are unlikely to be a problem, since magnesium can be obtained from sea water and the supply is almost inexhaustible.

Information about magnesium alloy high pressure die casting is offered by Promagco, Worcester Industrial Estate, Blackpole Road, Worcester WR3 5HR 01085 51665, a Wedge Group company.

striker, and thus one size of ram can fit various stroke lengths for differing applications.

Cycling may be stopped at any point by a remote valve, and re-started when the pressure is applied, or the ram can be left to run continuously, when it will cycle between the set limits as long as hydraulic pressure is applied.

Suggested applications for the unit are as drives for any reciprocating mechanism where ruggedness and long life are a fundamental requirement, and where an all-hydraulic drive and control is required, says NEL.

Apart from the original sheers, now in operation as a prototype, the ram could be used to operate agitators, screens, repetitive mechanical handling, machine tools, pumps, etc.

NEL is now offering licences to make and market the device—details from A. G. Hay, Vibro Power Section, National Engineering Laboratory, East Kilbride, Glasgow G75 0QU (03552 29222).

Indicates press load

PEAK LOAD monitoring equipment gives important operating benefits allowing faster die set ups, warning of damaging overloads on tooling and machine, die wear and faulty tooling.

An instrument providing this information makes it easier to obtain consistency in forging production. Basic units which indicate peak load, with overload alarm and an option to provide automatic print out of load data, have been designed by the research and development division of Head Wrightson working in conjunction with B. and S. Massey and resulting from extensive stress analysis of the latter company's press frames.

The new load indicator system, which shows the loads involved at every stroke of the press, will be shown for the first time at Mach '76 (Birmingham, September 22 to October 2). An indicator with print-out will be on a 750 tonnes force high-speed forging press, and a basic indicator will be on a 100 tonnes force wide ram trimming press. Both Massey presses will be used to demonstrate gear blank production.

B. and S. Massey (a Head Wrightson company) is at Openshaw, Manchester, M11 2LA (061-233 4662).

DATA PROCESSING

Terminal writes in Arabic

ICL has announced an Arabic version of its 7502 modular terminal processor system, of which there are already over 1,000 European language systems installed.

The system consists of an intelligent terminal processor controlling up to eight displays together with hard copy printers and interfacing via communications lines with an ICL or other mainframe computer.

A problem for ICL was that although there are 29 letters in the Arabic alphabet, the appearance of each varies from one country to another. Rather than have the user press alternative keys, the company is to supply the machine with one of three possible character sets: two are traditional and the third is the new Iraqi national computer

Engineers at the Skelmersdale, Lancs., works of Dewrance Dresser assembling the limit switches of feed heater media-operated valves for Huntly, New Zealand's largest power station. The valves, fabricated from steel forgings, are designed to isolate the high pressure feedwater heaters if an emergency occurs.

Speeds up the fiche

Low-cost display terminal

centre's recommended set. A 90 seconds after photographing the last page. The retrieval/display unit holds 30 fiche at a single loading (equivalent to over 6,500 pages at 42 times reduction) and projects any page to order about four seconds after pressing three buttons. The data is displayed on a 14-inch square screen and there are controls for focus and frame centring. The unit could also, of course, be used for retrieving data from COM generated fiche. More: Marylands Avenue, Hemel Hempstead, Herts. (0442 2251.)

Terminal writes in Arabic

Speeds up the fiche

Low-cost display terminal

Terminal writes in Arabic

Speeds up the fiche

Low-cost display terminal

Terminal writes in Arabic

Speeds up the fiche

Low-cost display terminal

Terminal writes in Arabic

Speeds up the fiche

Low-cost display terminal

Terminal writes in Arabic

Speeds up the fiche

Low-cost display terminal

Terminal writes in Arabic

Speeds up the fiche

Low-cost display terminal

THE FINANCIAL TIMES

Incorporating THE FINANCIAL NEWS
(Established 1944)

Head Office Editorial & Advertisement Offices
BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF
Telephone Day & Night: 01-248 8000. Telex: 554400. Fax: 01-248 8001
Telex: 554400. Fax: 01-248 8001

For Share Index and Business News Summary Ring: 01-248 8025

Branches: **London**: George House, 100, Old Broad Street, EC2M 1JH. **Edinburgh**: 15, Market Street, EH1 1JF. **Glasgow**: 15, Market Street, EH1 1JF. **Manchester**: 15, Market Street, EH1 1JF. **New York**: 15, Market Street, EH1 1JF. **San Francisco**: 15, Market Street, EH1 1JF. **Washington**: 15, Market Street, EH1 1JF.

TUESDAY, AUGUST 24, 1976

South Africa in crisis

YESTERDAY'S STRIKE of black workers in Johannesburg, while by no means total, shows that the widespread black protest against apartheid in South Africa is far from over. Despite the arrests over the past week by South African police of those considered as the ringleaders, the demonstrations which began on June 16 in the black township of Soweto do not appear to have lost momentum. Indeed, by affecting workers as well as students, they could be entering a new phase.

For the time being, the strikes—or more properly work boycotts—seem to be confined to Johannesburg, and to have been the response by adult workers to the entreaties of the younger generation to show solidarity. Workers were told verbally, by anonymous pamphlet and, it appears, sometimes forced by intimidation to stay at home. Most observers yesterday agreed that up to 80 per cent. of those working in Johannesburg offices and factories had heeded the boycott call. Whether or not the boycott, scheduled to last until Wednesday, is followed in South Africa's other major industrial cities remains to be seen. Certainly, one of the remarkable features of the past ten weeks' demonstrations, which also began in Soweto, is the way they spread across the country.

Sharpeville

Not since Sharpeville, 16 years ago, has South Africa seen violence on anything like this scale. The question inevitably being asked now is whether the present black unrest, like that of the early 1960s will eventually subside, or whether it will prove to be the beginning of that racial confrontation which many opponents of the apartheid system have long predicted.

Political memories tend to be short: Sharpeville, while it produced fewer deaths, was preceded and followed by widespread and angry if more peaceful black protest. It also had a more obvious effect on South Africa's economy—

Boomerang

It is quite possible that Mr. Vorster and his Government will find the right carrot-and-stick combination again, at least for a while. But the depth of the dilemma is that the separate development policy, so long heralded by Nationalists as the answer to South Africa's racial problems, is now poised to boomerang. Unless the Republic's white rulers can rethink apartheid and produce a system which gives a share of political power in the Republic to all, there will be small hope of a peaceful or stable South Africa.

The difficulty in selling gilts

THE GILT-EDGED market, which turned dull on Friday afternoon because of reports about the size of the latest increase in the money supply, was dull again yesterday after the figures had been published and duly considered. The money supply on the narrow definition continued to rise at a reasonably modest rate especially after allowance for the ambitious status of interest-bearing sight deposits. But the money supply on the broader definition rose very sharply indeed in July—enough, indeed, to make the rate of growth over the three months to July rather faster than that indicated by the Chancellor.

There were some special factors at work, but the main one without doubt was the size of the increase in bank advances. It was known already that the advances of the clearing banks rose sharply at this time, but it now appears that the advances of other banks were moving in the same way. Even allowing for the debiting of half-yearly interest charges, the increase in advances during this single month amounted to nearly 3 per cent. The official notice refers to the need for replenishing working capital at higher prices, and this was clearly one of the influences at work. It seems likely, however, that in this, as in the previous month, a lack of confidence in sterling caused firms to import in advance of their actual needs.

Bank loans
Since sterling has since become firmer, this particular influence may cease to be so important. But private sector demand for bank credit is clearly going to move upwards as the business recovery gets into its stride; and the public sector borrowing requirement, even if it turns out to be slightly below the revised estimate of £11bn., is still very large. It so happens that the Government's borrowing requirement was unusually low in July. It is likely to be higher again in the month following, when net sales of gilt-edged stock to the private sector are thought to have been, even if positive, small. Even if

Gordian knot

One cannot tell for the moment, however, whether this larger number of bills, or by bought by the bank, or by private investment institutions. There is both a real and a formal difference. The real difference is that if the bills were bought by non-bank investors, there has been an increase in liquidity but one not quite so serious as if the increase had been in bank deposits. The formal difference is that such an increase would not show up as an increase in the money supply, and would not therefore have such a depressing effect on the gilt-edged market. One of the main troubles at the moment about managing the market is that potential investors, fearing a rise in the money supply and a consequent increase in interest rates, keep their money in the bank and help to bring about the increase in the money supply they fear. It may be necessary to cut this knot either by raising interest rates or by introducing some new form of Government security; given the present level of rates, floating-rate or indexed bonds seem well worth consideration.

Colin Jones analyses reasons for the increase in scrounging

A scandal of social security fraud

THE PUBLIC does not regard catching a spy as a success but as a failure. Mr. Harold Macmillan used to complain during the security scandals of the early 1950s. Well might Ministers and senior Whitehall officials share his sentiments to-day, when they contemplate the public's equally perverse reaction to the scandal of social security fraud.

The recent Deery case, in which an unemployed Liverpoolian confessed to having used 41 different aliases in order to extract £26,000 from the social security system over a period of seven years, may have been in many ways unique. But it is only one of several notable cases which are likely to come up before the courts in the course of the next few months.

Certainly, life might be easier for the Department of Health and Social Security if its staff were not gradually becoming better at tracking down and preparing evidence against those who defraud the social security system. In the past five years the number of cases where fraud has been established has risen from 32,000 a year to 46,000 and the number of prosecutions—after eliminating those where the evidence was inadequate, the amounts involved were trivial, or where for other reasons further proceedings were considered unsuitable—has increased from 7,700 to 15,360.

Yet the hardening of public attitudes which we have been seeing—and which the newspapers have been reflecting—cannot be ascribed to the Department's growing success at detecting fraudulent claims. Nor is it quite accurate to put it down to increasing economic pressure. The real reason behind the change in public attitude is the way in which successive Chancellors of the Exchequer have allowed inflation to depress income tax thresholds to the point where virtually everyone in work is now paying tax.

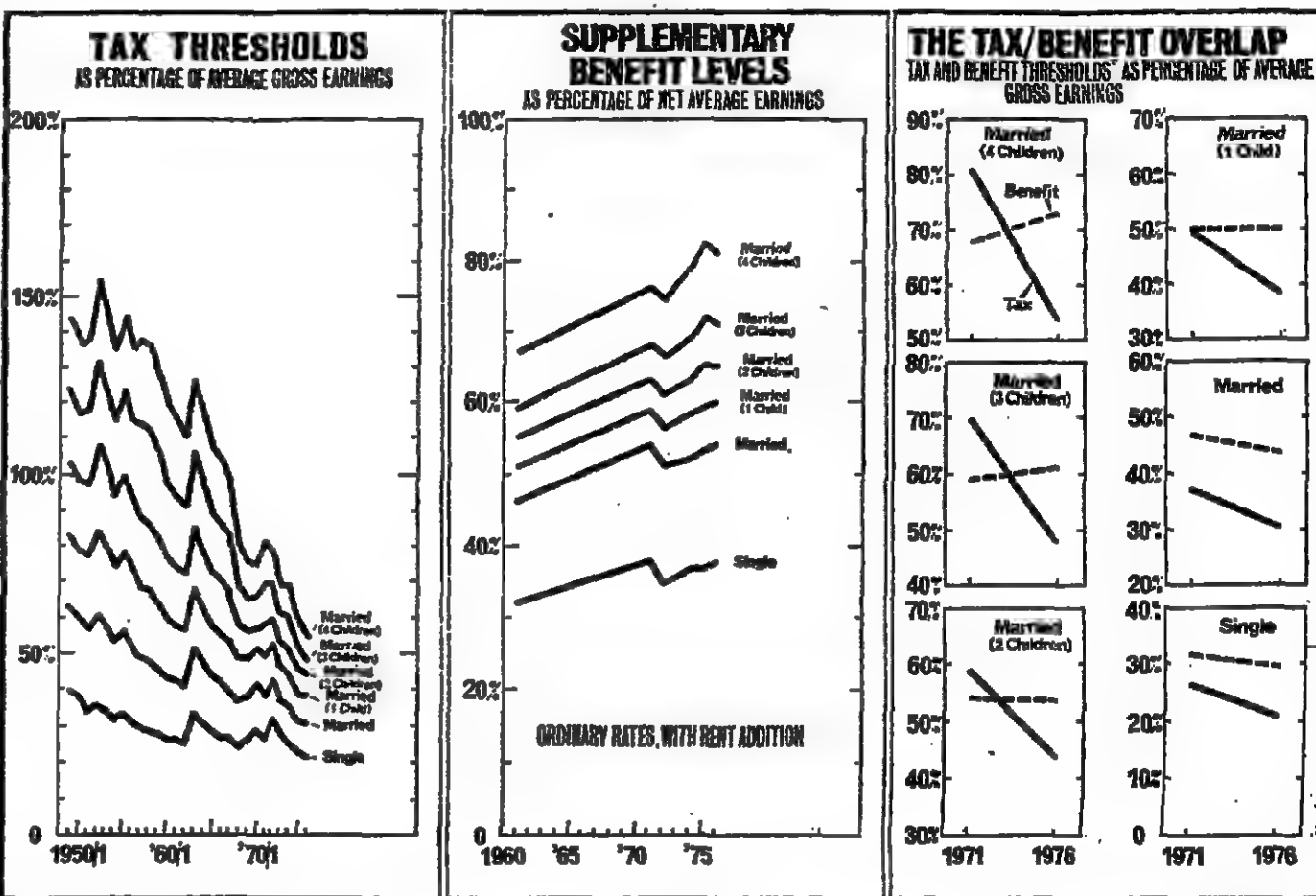
This has had two consequences: firstly, it has made everyone more sharply aware that other people's benefits come out of their own earnings. As Professor David Donison, the chairman of the Supplementary Benefits Commission said recently, "... everyone recognises that social policy has become, at best, a zero-sum game; anything you get I will have to pay for by a real drop in my own living standards." Secondly, the depression of income tax thresholds has increased the number of people who would be better off if they gave up work and scrounged off the social security system. In other words, not only have successive Chancellors' reliance upon "fiscal drag" brought about a situation where the working poor are now being taxed to pay for the benefits of the non-working poor, but it has

also exposed more of the working poor to the temptation to abuse the spirit of the social security system.

To some, it may seem outrageous that a couple with four children will nowadays receive a minimum of £48 a week in supplementary benefit (including an average addition for rent and rates). But this is one of the "money illusions" which inflation has created. The average gross earnings of adult manual workers in industry last October was £60 a week. As the charts demonstrate, the levels of supplementary benefit in relation to the net earnings of manual workers with equivalent family sizes than they were 15 years ago and, again, Nor does it lie in holding back the largest families, supplementary benefits, in the long run, the only proper response must be to raise the level of income-tax thresholds. And that is hardly likely to happen immediately. Accord-

A couple with two children against the spirit of the social security system, in the form of deliberate malingering, and offences against the letter of the law, or fraud. Raising tax thresholds above the corresponding supplementary benefit levels would reduce the temptation for low earners to scrounge off the State, but it would be only incidental to the narrower task of tracking down and preventing fraud of the kind illustrated by the Deery and other recent cases.

In this task, the staff of the DHSS labour under several handicaps. Perhaps the biggest stems from the sheer complexity of the present "Byzantine" system (to use Professor Donison's own description) of means tested benefits. The present level of unemployment may have created an exceptional situation but the system was never designed to support the massive numbers—now about 8 per cent. of the population— which have come to rely upon



* Tax threshold: percentage of average gross earnings at which income-tax becomes payable. Benefit threshold: percentage of average gross earnings at which net income (including, where applicable, family allowances) equals supplementary benefit levels, at ordinary rates with rent addition.

levied on the single person earning 21 per cent. of the answer, it would cost more than average industrial manual wage, £1.2bn. in a full year to raise on the married couple with two children earning 44 per cent. of the average, and on couples allowance) to ensure that with four children whose family size were at least as high average. These points are all as the corresponding supplementary benefit levels. One needs to distinguish, however, between abuses

part or all of their "entitlement" if they are considered to have left their previous employment for inadequate reasons. The long-term unemployed may be called in by unemployment review officers (as a result of which up to half of those called up may voluntarily cease claiming benefit) and these reviews may take place after a fit, unskilled man under the age of

45 years has remained on benefit for four weeks, once unemployment rates start falling to normal levels again.

Special investigation staff the Department's local regional offices have increased. Special means have been introduced from time to time as particular problems are identified. The number of suspected cases of "time fraud"—people who have given fictitious names around from office to office to avoid giving addresses and putting fraudulent claims of immediate need—declined, appeared when it became standard procedure to pay benefits by Office Giro order.

Yet, partly because of complexity of the system, the priority rightly given to speedy processing of claim orders to avoid delaying cases of need, even as DHSS officials recognise that enough has been done either to tighten up administrative procedures or to ensure that existing procedures are properly observed. The politicians always been more interested in devising new or better benefits so as to make the system flexible in its response to there has been much political kudos in simplifying either the system of benefit its administration—such as reducing the number of separate Government departments agencies which cater for unemployed.

Above all, perhaps, approach adopted by the Department of Health and Social Security to the problem of fraud has always been—as the FI Committee said in 1973—the practical fishermen concerning on the immediate rather than as marine scientists establishing by statistical search the probable extent of shoals to be caught.

This is why no-one in DHSS or elsewhere is in a position to say just how much it takes place. Certainly, more than the 0.2 per cent. all claims which are currently established as fraudulent, trouble is that, because of present overlap between the tax and benefits system, the public remains convinced that the portion is far, far greater. The number the Department presently detects. And so this conviction holds—so as this social security system is widely believed to be a real there will be a danger of restrictions which could put upon the system as well as who do not.

MEN AND MATTERS

Not Joe Gillette

Football's back, but there is still a couple of weeks to go before one of the biggest events in the cricket calendar: the final of the Gillette Cup. Old-stagers Lancashire, who have been in five out of the past six finals, meet Northamptonshire at Lord's and a good September 4 should be had by all.

But for the U.S.-owned Gillette group, the competition which is now in its 14th year has its frustrating side. For to some extent, the word "Gillette" has passed into the cricketing language to the point where the identity of the benefactor could be forgotten by some. Having the corporate name to the fore is, of course, what sponsorship is all about, and now Gillette has come to a precedent-breaking agreement with the MCC to try to make sure that spectators realise "it's Gillette the company not some Joe Gillette, the player," in the words of U.S. marketing manager John Garrett.

The MCC, never very keen to see the hallowed game go too commercial too quickly, has agreed to allow programme holders at Lord's the chance to exchange a coupon in each programme for one of Gillette's razors. For youngsters and women spectators, the coupons will be exchangeable for a couple of pence made by another company in the Gillette group.

Gillette stands to get quite a bit of goodwill out of the exercise. Of the 25,000 who have been booked up for the game since May, about half will probably buy programmes (which sell for 35p each against the usual 35p for the razor).

The company now pays about £100,000 a year to the Test and County Cricket Board to sponsor the cup competition, which

Raw Essex note

A Hampshire reader received the following invitation: "The play reading group will resume activities on Friday, September 3, at 7.30 p.m. in the village hall. . . . The play to be read will be John Osborne's 'Look Back in Anger'."

Collet's niche

London's Charing Cross Road is still a centre of the book retailing business, though as a man from Foyles observed acidly yesterday, its dominance seems to be challenged these days by hi-fi shops. Nevertheless, the book scene is now that bit livelier thanks to the opening, practically next door to Foyles, of a new bookshop owned by Collet's Holdings.

For the last 32 years, Collet's has principally been an outlet for left-wing publications, its pre-war roots being firmly in the mainstream of British Communism. But its expansion is due to a solidly capitalist background: the enterprise is headed by Eva Reckitt, whose father was a chairman of Reckitt and Sons before it became Reckitt and Colman. Miss Reckitt, now



Europe links remain strong: the company is the sole importer of Russian language books, and part of its new prestige shop close to Foyles deals with that speciality following the move out of a separate Russian bookshop near the British Museum.

Communism is a divided world, and Collet's has a Chinese bookshop, even though getting supplies of new publications for that branch is not easy. The company does cater, too, for those not keen to peruse, say, the latest in Russian economic theory: the new shop aims to please "almost all tastes and ages," and it is now 14 years since Collet's opened the first Penguin bookshop in London.

The impression is quickly gained that Collet's is run by slightly fierce ladies, and women do have a four-against-three majority on the holding company Board. There are no formal ties with the Communist Party, but individual staff members are "active" and managing director Joan Birch is a CP member. Now in its nice strategic niche, Collet's talks teasingly of rigging up a banner similar to the distinctive "Foyles for Books" one. Foyles was unimpressed. "We're delighted to have them," said a spokesman. "We're old friends."

Provincial branches were opened, and Collet's also operated a travelling library service that took the message of working class struggle to the back roads of Wales, among other places.

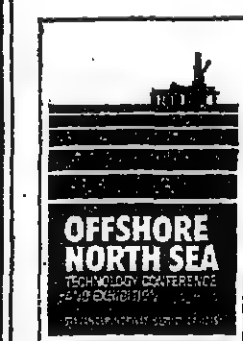
Post-war, Collet's has concentrated on London and its mail order operation at Wellingborough (two-thirds of Collet's turnover is accounted for by overseas customers). The left-wing and particularly Eastern

Have you heard about the postman who complained to a woman that every time she asked her dog in to be good, it ignored the suggestion and bit him? "I'm terribly sorry," she replied. "I tried to take him to an obedience class but he refused to go."

Observer



Traver Hamble



Welcome to visit
ONS-76
International oil conference and exhibition

Stavanger—Norway Sept 21-24, 1976

Following types of accommodation are still available:

- Rooms private homes (bed and breakfast)
- Rooms "Condeep camp" (Single rooms, Washrooms, shower rooms and toilets in the corridor. Small lounges and cafeteria).
- Houses and flats with 3-5 bedrooms

contact

TRAVEL LINK LTD.
ALDWYCH HOUSE
LONDON WC2 4HA
Telephone 01-242 0961
Telex 21407

With the resignation of his Prime Minister a near certainty, President Giscard must choose a new path. Robert Mauthner reports

French politics reaches a crossroads

ONLY two years as the Independent Republicans, M. Valéry and other centrist groups which have come to support him number no more than 120 in the 490-member National Assembly, has been obliged to rely on the Gaullists with 175 members at such a pitch over the new days that a shake-up is inevitable. Either reports that M. Chirac will resign, or that he will be dismissed by the President, are already in the air. It is this unpleasant fact which has been at the root of the President's troubles. The Gaullists have always been suspicious of Giscard. He is not one of them and was a disruptive influence in General de Gaulle's coalition government. The Gaullists have not forgotten the fact that Giscard advised the country to vote "No" in the vital 1969 referendum on regional reform which provoked the General's departure. And they look upon Giscard's pragmatism, not least in the field of defence and foreign policy, as a dangerous departure from the Gaullist creed of national independence.

If, nevertheless, they agreed to join the President's Government in the summer of 1973, it was for two main reasons. They wanted to ensure their own survival by retaining their influence on the manner in which the country was governed after the ignominious defeat of their own candidate, M. Jacques Chaban-Delmas, in the presidential election and they were anxious to prevent an opening to the Left. But they have always been reluctant partners and have been brought to heel when necessary only thanks to the political skills and the strong personality of M. Chirac, their main representative in the Government and one of the secretaries-general of the Gaullist UDR Party.

M. Chirac's performance since he was appointed Prime Minister, and even before then, during the presidential election campaign, has been nothing



France's last five Prime Ministers (left to right): M. Georges Pompidou, four times PM between 1962-68; M. Maurice Couve de Murville, 1968-69; M. Jacques Chaban-Delmas, 1969-72; M. Pierre Messmer, 1972-74; and M. Jacques Chirac, 1974-7.

short of a tour de force, caused him a lot of heart-aching, dynamic and a searching, particularly given excellent administrator, the Gaullist party's predictable fury over such a departure political tight-rope with from, to them, sacrosanct the assurance of a Nadia Comaneci, Romania's remarkable gymnast.

During a long and acrimonious parliamentary debate on Giscard's capital gains tax proposals, which was fiercely opposed by the Gaullists, M. Chirac spent much of the time sulking on the sidelines. It was not until after a long country house week-end, closed with the President that he stepped into the breach, and then only to help push through a watered-down bill which bore little resemblance to the original.

This was out the only burden which M. Chirac had to bear, however. The modification of France's defence policy, which has become perceptibly more Nato-oriented, must have

happened to hold a senior academic appointment in one of our universities. While sympathising with the broader views on censorship expressed by your writer, what does he expect? It is inevitable in a society with meritocratic aims, that TV should become preoccupied with the maintenance of the status quo. A work-weary proletariat which can be starved into total passivity night after night is unlikely to start thinking that there could be an alternative to being a mere wage earner and consumer.

In the Orwellian concept that "Orthodoxy is unconsciousness; not thinking, not needing to think" has become a reality, Karl Marx would undoubtedly hail it as the new "opiate of the masses." For my own part, I am at one with that other Marx who said "I find TV very educating. Every time somebody turns on the set, I go into the other room and read a book."

J. C. Burgess, Financial Services, 17, Exchange South, Mount Stuart Square, Cardiff.

short history of the Fifth general election in the hope that it will produce a Parliament more favourable to his policies or, as a last resort, resign himself.

General de Gaulle, after all, could always count on the unconditional loyalty of someone like M. Michel Debré when he was Prime Minister, and late President Pompidou's last Premier, M. Pierre Messmer, was the most faithful of all servants.

Yet the probable political consequences of appointing a non-Gaullist Prime Minister, who would be the only one to meet the President's new criteria for the post, is so daunting that Giscard can be forgiven for hesitating about taking such a step.

To do so, would be to run the grave risk of pushing the Gaullists into opposition and of letting in the Socialist-Communist Left at the next general election. Even if, initially, the Gaullists might hesitate to withdraw their support from the Government because of the fear that the break-up of the coalition would jeopardise their own electoral chances, it is hardly conceivable that the tattered alliance would last very long.

Giscard, too, is said to be anxious to give the regime a more "presidential" character—in other words to establish himself fairly and squarely as the boss, with a Prime Minister who would be nothing more than a glorified *Chef de Cabinet*. This would prevent the permanent risk of a conflict between the President and a Prime Minister who, as in the case of M. Chirac, is constantly striving to assert himself. Although some commentators see such a move as nothing more than a reflection of Giscard's growing tendency to behave like his "royal" predecessors, it would not in fact be an innovation, even in the

So far, no French political commentator has even envisaged such a possibility but, while the second of these alternatives seems most unlikely to materialise, the first cannot be entirely ruled out at a time when Giscard has his back very much against the wall.

The risks involved, it is true, would be enormous. The Union of the Left, since it papered over its own internal quarrels and since the adoption by the French Communist Party of much more "liberal" stance and an independent line from Moscow, has had the wind in its sails. The Socialists alone, according to public opinion polls, can now count on the support of something like 30 per cent of the electorate and a victory by the Left at the polls has thus become more than just an outside chance.

The Government has taken a lot of stick, not only from the Left-wing parties and the trade unions, but from some of its own supporters for its failure to adopt anti-inflationary measures earlier and its general casualness about the country's economic problems. To go to the country in such conditions, therefore, would require a high-stakes poker player's nerves of steel.

All that is certain at the moment is that, if the rumours about M. Chirac's resignation are confirmed, the subsequent Government reshuffle will lead to much more than just the changing of hands of a few ministerial portfolios. It could mark the beginning of a completely new political realignment in France.

Letters to the Editor

sting is tical

he Chairman, Seattle

Years ago I remember Mrs. Castle's scheme for a monument commemorating the fact that it was a woman who was the first to be hanged.

Since then I have realised any Government reports which introduce lovely for the benefit of one of the community, seldom out the extent of the which will have to be by other sections: for the cost is carried by the employer or rough taxation, the man in the street is the payer.

uld be a nice sign of blity if the Government d the view that all of this kind should a sentence. "It is a that the cost of imple- this report will be to the cost of living by his sentence might even and concern the authors and inspire them to do.

satia, Soria Street, npton.

nping ph

S. Hamilton

ow only too well just a catalogue of a ractioneer is liable to very week, but Dr. E. August 19) can reduce nt.

took over this prac- a half years ago, I profit. Here an opportunity to put new views into practice, it is no worse to make a profit out of housing people than out of selling food, books or any other goods and services. A Labour Government would be in a particularly strong position over such a measure for the Conservatives would not oppose it and there would be thus a guarantee of continuity of policy that would reassure prospective landlords by removing the fear of a change of Government. Such a policy would enable more housing to be provided without increasing public spending and also creating a moderate and pragmatic image at the same time.

Is it too much to hope that common sense will prevail over political dogma?

John Lewis, Llanfair, 40, Davies Street, Porth, Glamorgan.

An individual requirement

From Mr. G. Simon.

Sir,—Mr. Roy Grantham makes some rather excessive assumptions (August 20) concerning Pension Schemes.

I do not see why a person whose he describes as "any individual non-trades unionist" can not go to an adviser on the subject of pensions just as he can in arranging insurance for his car or for the purchase of a house. An individual doing that would get advice as to his own personal circumstances far better than he could merely as an individual member of a large group represented by one trades union. Mr. Grantham may think it is obvious that unions nego-

MO, but the soldiers who rely on his immediate access in case of their injury, would soon make such a protest as would diminish the Government's reputation for thoroughness. As it is, in this civil service orientated Health Service, no wonder morale is low! No wonder that medical and nursing staff are increasingly harassed and fed up! No wonder we have a shortage of radio-therapists and other medically-orientated ancillary staff!

Well, we can't burn the blessed stuff in this frightful drought—so it gets dumped in a large miscellaneous file which is periodically dumped in the waste bin for collection by the local authority's refuse department. A new cry is needed. "Is your letter really necessary?"

Shirley Hamilton, 41, Harland Road, Lee, S.E.12.

Under-used housing

From Mr. J. Lewis.

Sir,—It is refreshing to read Mr. Morris's letter (August 19) pointing out the folly of building so many new houses when so many existing ones are empty or under-occupied. The removal of rent control on newly-created tenancies would speedily remedy this.

A one-clause Act would be enough to achieve this without burdening existing tenants for whom some form of rent control must exist for a while yet. Such a measure would cost nothing, hurt no one and at worst be no more than ineffective. At best it would do much good. It is a reflection of how far collectivist ideas had permeated the Heath Government that they positively refused to do this.

Mr. Callaghan has of late proclaimed his belief in the mixed economy and the necessity for profit. Here an opportunity to put new views into practice, it is no worse to make a profit out of housing people than out of selling food, books or any other goods and services. A Labour Government would be in a particularly strong position over such a measure for the Conservatives would not oppose it and there would be thus a guarantee of continuity of policy that would reassure prospective landlords by removing the fear of a change of Government. Such a policy would enable more housing to be provided without increasing public spending and also creating a moderate and pragmatic image at the same time.

Is it too much to hope that common sense will prevail over political dogma?

John Lewis, Llanfair, 40, Davies Street, Porth, Glamorgan.

Church finances not secret

From the Secretary to the Church Commissioners

Sir,—It is not surprising that the Rev. J. D. Brown (August 19) adduces no evidence to support his assertion that a "veil of secrecy" surrounds the Church Commissioners' finances because the facts are directly contrary. The Commissioners are an unique body in being answerable to both the national assemblies—Parliament and the General Synod—and publish annually both a full report and accounts covering their responsibilities as a whole and a separate report on their capacity as a property. It publishes its accounts annually and copies are sent to all members of the General Synod.

S. P. Osmond, 1, Nillbank, S.W.1.

Successful bus operators

From the Director General, West Midlands Passenger Transport Executive.

Sir,—It was with considerable interest that I read the letter from Mr. P. R. White (August 17) about bus operators. I would point out, however, that his comment that passenger transport executives have generally fared less successfully than the municipal undertakings most certainly does not apply to the West Midlands Passenger Transport Executive.

From its inception, in October 1969, until March 1974, the West Midlands PTE ran its bus services under a passenger transport authority directive to keep its revenue in balance without any precept on the local rates. From April 1974, West Midlands County Council decided to hold down fare levels and to make revenue grants to the PTE.

This low fares policy, together with other operating measures such as the integration of rail and bus services and improved services matched to passenger demand, has helped to reverse the loss of passengers in the West Midlands. West Midlands PTE is now carrying as many

Personal views

From Mr. J. Burgess.

Sir,—Following comment in your newspaper regarding the exemplary treatment to which Mr. Auberon Wauchope was subjected by ITV (August 18) it should be noted that the same considerations did not apply in the recent interview of a prominent Communist who Burghage, Marlborough Wiltshire.

International exchange

From the Head of Personnel, Lomson Industries.

Sir,—The article by Peter Hennessy (August 19) reopens the subject of civil service training at an opportune time.

One very important point, however, has been missed, for not only do the French students work in the regions, but there are opportunities to work in industry both within France and abroad—provided there is fluency in English.

In our company, over the past three years, we have employed one young lady and two young men from ENA (L'Ecole Nationale d'Administration), for the two-month period in which we stay. We will take four this year. We have learned much from each of them, and hopefully have helped them to learn something of our international business. It has been a rewarding experience.

A. Sedgwick, Lomson House, 75-79, Southwark Street, S.E.1.

Uncertain outlook

From The Managing Director, Fruit Securities.

Sir,—In your issue of August 14 Mr. W. Empson attempts to explain the withdrawal of the small investor from the stock markets, recently highlighted by the poor and apathetic responses to new issues; but his analysis is, surely, an over-simplification. He says, "There is only one thing that will bring back the small investor to stock markets, which I have yet to see mentioned by any commentator, this is a fall in American interest rates."

To believe this is to ignore the prospective sales of "gilts" to finance a very large borrowing requirement. The reverse yield gap of 8½ per cent (only 4 per cent in the winter of 1974-1975); the lost confidence, resulting from uncertainty as to the real objectives of Government policy vis-à-vis the private sector of the economy and the precarious outlook for sterling.

Under normal circumstances, there would probably be a good case for assuming that London would follow New York to lower interest rate and, consequently, higher market levels; domestic problems, however, preclude such a foregone conclusion. At all events, it is doubtful whether American interest rates are likely to fall substantially, since it is intended that the American economic recovery be gradually and accompanied by a firm control of the monetary aggregates.

G. I. Levine, 9, Castleton Drive, Newton Mearns, Glasgow.

No incentive to save water

From Mr. D. Robb.

Sir,—May I support the point made by Mr. C. W. Thompson (August 19). For the one cold tap in my London office I pay £61 p.a. To get my money's worth I would have to leave the tap full on day and night.

D. B. Robb, The Old Vicarage, 105a, Clarendon Road, W.11.

Specialist committees

From Mr. A. Chapman.

Sir,—In his Lombard article, "Watching Over the Treasury" (August 16), Peter Riddell referred to the growing disenchantment with the concept of specialist committees in the House of Commons. This disenchantment is not surprising if my experience is typical.

The Charity Law Reform Committee gave evidence in February 1975 to the Education, Arts and Home Office Sub-Committee of the Expenditure Committee which was looking into the charity commissioners and their accountability. In its report the sub-committee stated that only one person favoured our admittedly radical major proposal. If the sub-committee had remembered or even read the evidence given to it it would have known that there were at least five witnesses in favour of our proposal, another four who were neither for nor against and only two who were against it.

Later in its report the sub-committee recommended that when the chief charity commissioner retired in the autumn "there should be a wide field of choice for his successor." The sub-committee had failed to find out that the identity of the new chief charity commissioner had been publicly announced five months earlier. As a final example, admitted by the sub-committee itself, although it investigated the position of public schools in some depth it had not consulted the Department of Education and Science.

If specialist committees such as these are to continue it is high time that an element of professionalism was introduced into their work.

A. M. Chapman, The Charity Law Reform Committee, 105a, Clarendon Road, W.11.

Letters to the Editor

First meeting of emergency Cabinet committee on drought crisis. Prime Minister later leaves for three-day visit to Scotland and has evening meeting with Executive Committee of Labour Party's Scottish Council, Glasgow.

Department of Employment issues provisional unemployment figures for August.

Economic Commission of Organisation of Petroleum Exporting Countries (OPEC) continues meeting in Vienna.

COMPANY RESULTS

Leonard Fairclough (half-year). S.E.1, 7.30 p.m.

Nurdin and Peacock (half-year). Wair Group (half-year).

To-day's Events

COMPANY MEETINGS

Bassett (Geo.). Owlerton, Sheffield, 3. Blackleys, Telford, Salop, 12. Caird (Dundee), Dundee, 12. Riley (Robert), Rochdale, 12.

OPERA

English National Opera production of The Mastersingers of Nuremberg. Coliseum Theatre, W.C.2, 5.30 p.m.

BALLET

London Festival Ballet dance Swan Lake, Royal Festival Hall, S.E.1, 7.30 p.m.

Dance Theatre of Harlem perform Allegro Brillante, The Com-

bat. Manifestations, and Douglas, Sadler's Wells Theatre, E.C.1, 7.30 p.m.

MUSIC

Orchestra of St. John's, Smith Square, conductor John Lubbock, with Alan Civil (horn), play works by Schubert (Symphony No. 8 in B flat major); Mozart (Horn Concerto No. 3 in E flat major); Stravinsky (Ode to a Nymph in three parts); and Tchaikovsky (Serenade in C major for string orchestra). Royal Albert Hall, S.W.7, 7.30 p.m.

SPORT

Golf: Carrolls Irish Open championships, pre-qualifying, Pilmaraock, Vachling, Three-quarter Ton World Cup championships, Plymouth.

AEROSPACE

The Financial Times proposes to publish a major survey of the Aerospace Industry on Monday 6th September 1976.

The world's aerospace industries are undergoing a significant change as costs rise and civil and military markets become tougher. This year's Farnborough International Air Show is taking place against this background of intensifying competition, while at the same time, there is in some areas a trend towards more international collaboration.

The survey which will be edited by Michael Donne, our Aerospace correspondent, will include specific coverage of the following areas:—

- ★ Introduction
- ★ The Aerospace Equipment Market
- ★ The Future for Aerospace Collaboration
- ★ The Royal Air Force
- ★ The World's Aero-Engine Industries
- ★ A detailed study of the Aerospace Industries of the United States of America
- ★ The Helicopter Industry
- ★ The World's Airlines
- ★ The Future for Air Cargo
- ★ Progress with Supersonics
- ★ Business Aviation
- ★ Space Research
- ★ Airports Policy
- ★ Private Flying for Leisure and Pleasure
- ★ Soviet Union
- ★ France
- ★ West Germany
- ★ Sweden
- ★ Holland
- ★ Italy

A synopsis containing more details of the editorial on these sections is available. If you would like to receive a synopsis and details of advertising costs please contact Alan Rose, 01-248 8000 extension 7112 or contact your Financial Times representative.

Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY.

It should be noted that the content and publication date of surveys in the Financial Times are subject to change at the discretion of the Editor.

Improved outlook for British Land

ALTHOUGH DIFFICULTIES still remain, it is now possible to form some more encouraging view of the future of the British Land Company in the light of the progress that has been made during the adverse conditions which have persisted from late 1973, says the chairman, Mr. John Ritblat.

The property cycle has been through a major convulsion, but in spite of uncertainties the enduring merits of freehold and long leasehold real estate as an investment medium remain strong.

The chairman says he has no doubt that at some stage a further change in the cycle will be seen, and given a sustained reduction in interest rates the beneficial consequences for the group "would be truly dramatic."

Mr. Ritblat emphasises the need for an injection of new capital to offset the effects of inflation and especially to compensate for the high interest rates. Lower interest rates would immediately ensure a return to profitability, but would not obviate the desirability of raising more capital to refinance debt.

With the end of expansion, mutually planned in 1970-71 based on a five-year cycle to acquire and complete freehold buildings, the company is now entering the second stage when the benefits of growth can flow through wholly to the company, and thus suitable long-term financing arrangements can be promulgated when conditions allow.

Some 40 per cent of the group's property portfolio and income is now overseas. It is becoming evident that acquisitions and developments abroad over the last years will fulfil the promise of expectations. Energies are now devoted to financing each zone of activity appropriately.

The example of Holland, where the company has retained its freeholds, bought more property, financed long-term and introduced

BOARD MEETINGS

The following companies have met the Board of Directors in the last week. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY	
Interim—De Beers Consolidated Mines	Sept. 1
Dividend—Robert M. Jones	Sept. 2
Dividend—Beecham	Sept. 3
Dividend—Scottish Eastern Investments	Sept. 3
Dividend—Wool Group	Sept. 3
Dividend—Hutchinson	Sept. 3
FUTURE DATES	
Dividend—Gannex	Sept. 7
Dividend—Ladbroke	Sept. 13
Dividend—Liverpool Daily Post and Echo	Sept. 13
Dividend—Matthews Wragg	Sept. 13
Dividend—Small John C. and Thomas	Sept. 13
Dividend—Thames	Sept. 13
Dividend—Bardex	Sept. 13
Finals	
Dividend—Armstrong Equipment	Sept. 9
Dividend—Dunlop	Sept. 13
Dividend—Kennedy Sable	Sept. 13
Dividend—Maple Macaworth	Sept. 13

Meeting, May Fair Hotel, W., September 21 at noon.

represent less than 10 per cent of the group income.

At March 31, 1976, contracted commitments were £9.93m (£2.54m) and authorised but not contracted £2.23m (£1.83m).

As reported on August 21 with details of property revaluations, total deficit per 25p share for the year to March 31, 1976, was down 22p to 14.9p.

Surplus on revenue account was £14.23m (£11.04m) subject to interest charges of £18.88m (£17.85m).

An analysis of turnover and revenue surplus shows (£000's omitted) property income £14,941 (£11,184) and £16,189 (£7,332); property sales (and provisions) £250 (£243) and £98 (£332); fees and commissions £1,456 (£1,128) and £228 (£263); retail sales £20,358 (£18,434) and £1,021 (£2,341); interest and dividends £1,016 (£1,373) and 802 (£1,241); share dealing losses £94 (£467); industrial £6,554 (£6,739) and £849 (£944).

Meeting, May Fair Hotel, W., September 21 at noon.

See Lex

Little change at C. Baynes

First-half 1976 profit of hocksw blade manufacturers, Charles Baynes, decreased slightly from £99,231 to £91,922, subject to tax of £47,989, against £51,400. Home turnover was £453,152 (£420,401), and export £180,956 (£182,204).

Although orders on hand are at a higher level than at the beginning of the year, rising costs make it difficult to forecast the results for the current half, the directors state.

As before the interim dividend is 1p net per 10p share. Last year's total was 2.727p from profits of £169,389.



Mr. John Ritblat, chairman of British Land Company.

Better year by Bogod-Pelepah

Profit of Bogod-Pelepah for the year to March 31, 1976 was £280,893, compared with £212,004 (£113,809) and an extraordinary adjusted 0.75p—with the Ordinary "A" restricted shares the net cost of additional pension provisions.

River Plate Trust

Gross revenue of River Plate and General Investment Company increased from £287,163 to £350,294, while the pre-tax figure was down from £317,145 to £302,371. Tax absorbs £99,303 (£114,064).

An interim dividend of 1.2p net (1.1p) has already been declared. Last year's total was 4.43p from a net taxed revenue of £391,234.

AUSTRALIAN AGRICULTURAL

New memorandum and articles of association of Australian Agricultural Company have been registered with the relevant authority in New South Wales, thus completing the process of emigration.

The new 30 cent shares for exchange control purposes are foreign currency securities and dealing have commenced.

Davy Intl. prospects remain good

THE IMMEDIATE outlook for Davy International is good and the directors aim to continue the progress of recent years, the chairman, Mr. J. W. Buckley, tells shareholders.

However, the work Davy does has a long cycle time, therefore the short-term prospects are influenced by the efforts of the past several years, a period when the company has been enterprising and venturesome, the chairman says.

The outlook is further influenced by the even longer cycle time of large projects which form an increasing part of the order book. The high level of orders reported a year ago has been maintained and must companies have good order books, but increasing effort is needed to ensure adequate workloads in relation to capacity.

Although prospects remain good there has been a noticeable falling off in demand from the oil-rich countries of the Middle East.

However, the world market for the group's services is large and varied and the policy of maintaining in depth on a world scale and offering services to a wide range of process industries will, the chairman believes, ensure a satisfactory performance by the company in the future.

The value of work done, the increase in work in progress, amounted to £206.2m. the year ended March 31, 1976 (£248.6m). Due to a good overall performance by most companies, particularly those in the U.S., the profit before tax was £10.4m (£13.5m). In addition there was an extraordinary gain of £0.78m, mainly arising from changes in currency values.

On a CCA basis, pre-tax profits are £11.1m.

A geographical analysis of turnover—£204m (£181m)—shows U.K. £31m (£38m); rest of EEC £15m (£11m); rest of Western Europe £4m (£10m); Eastern Europe including Russia £10m (£5m); Middle East £10m (£5m); Far East £23m (£12m); Africa £15m (£5m); North America £34m (£43m); South America £5m (£3m); and Australasia £7m (£2m).

U.K. companies—home turnover was £31m (£38m), and export £23m (£53m); non-U.K. companies contributed £14m (£27m).

A statement of the source and application of funds shows an increase in cash resources of £28.34m (£10.55m).

The balance sheet again strengthened and liquidity improved by some £28m during the year. The improvement came mostly from the management of working capital, earnings, and the rights issue of last year which contributed £4.8m.

Substantial parts of the cash balance are held by the American and German companies. Cash accumulation arises in Davy from good cash management throughout the company; marginal improvements in several key areas can greatly influence the total balance.

The present level should be viewed against the volume of business done, as liquidity is an important element in the flexibility required to respond to the progress of recent years, the chairman says.

Meeting, 82 Cavendish Street, W., September 27 at 2.30 p.m.

Good result seen by Hales Properties

The current figures of Hales Properties reflect a satisfactory profit level for 1976-77 and the directors anticipate they will be able to maintain a dividend of 2.5p net.

The chairman, Mr. R. J. Hale looks to the future with confidence. The company, he says, has a well balanced portfolio of private, commercial and industrial properties together with sufficient land reserves to continue the building programme into the foreseeable future.

Rental income for the year ended March 31, 1976 reflects the first full year following the relaxation of the control of business rents and is largely responsible for the rise from £194,720 to £221,687.

These figures will make a continuing contribution to rental income without additional capital outlay, the chairman says.

As reported, profit before tax for 1975-76 increased from £119,489 to £157,515. Turnover was £365,945 against £481,305.

Meeting, Sutton Coldfield, September 16 at noon.

Midterm rise for British Vending

British Vending Industries, in which The Nestlé Company has a substantial interest, reports turnover up from £3.88m to £4.35m for the first half of 1976, and an increase in pre-tax profits from £50,584 to £135,156. Profits for the year 1975 came to £236,350.

After tax of £72,000 compared with £31,828, first half earnings are shown to be up from 0.45p to 0.76p per 10p share and the interim dividend is ruled from 0.4125p to 0.460125p net. The company does not usually pay final dividends.

GOUROCK AIRHOUSES

Purvis Equipments of Edinburgh has recently purchased from British Fibres and Plastics the interests in their Gourouck Airhouse division together with the Port Glasgow premises, plant and equipment of the former Gourouck Rope Work Company. A new company—Clyde Canvas Goods and Structures has been formed to continue and expand manufacture of the range of products. In addition the new company will be developing a range of tents, marquee buildings, etc., using canvas PVC materials.

The Gourouck Airhouse single skin structure supplied solely by internal air pressure from an electrically driven fan. There is a growing demand for such structures where they are used for storage of goods and as temporary warehouses.

City and Commercial revenue up

Gross revenue for City Commercial Investment Trust for the six months ended July 1976, was £347,276, up from £309,856 for the corresponding period last year. After deduction of expenses and interest of £32,309 (£22,145) and tax of £112,244 (£55,594), leaves £202,723 (£132,117). An interim dividend of 0.784p is announced. Last year's total dividend was 1.412p. Gross revenue was £363,810. Net asset value of the trust fallen from 109p to 112p.

Advance by Allied Investments

Pre-tax profits up from £24 to £219,481 are reported by Allied Investments for the year to April 30, 1976. Turnover rose 10 per cent to £3.71m. First-half profits had risen from £100,000 to £170,000. Directors say progress in current year is such that expect profits for the five months to exceed those of same period last year.

Earnings per share are up 1.5p to 1.55p and the net dividend is 0.433p making maximum permitted total 0.6839p compared with equivalent 0.6357p previous year.

Turnover	3,708,494
Trading profit	456,741
Investment income	19,381
Interest payable	136,161
Profit before tax	340,061
Taxation	127,014
Net profit	213,047
Dividends	417
Reserves	199,540
Shareholders' funds	99,540
Long-term debt	20,480
Dividends	32,194
Forward	122,448
Less:	7,594

WELLS FARGO

Wells Fargo Bank's first shore office for investment services has been opened in London. Mr. D. G. R. Hewitt, vice-president and manager of the bank's investment services, has been appointed to head the new advisory office.

NEW ISSUES

All these securities having been sold, this announcement appears as a matter of record only.

Can. \$50,000,000 ISE Canadian Finance Ltd.

Can. \$25,000,000

9½% Guaranteed Notes due 1982

Can. \$25,000,000

10% Guaranteed Debentures due 1986

Unconditionally Guaranteed as to Payment of Principal, Premium, if any, and Interest by

International Standard Electric Corporation

Kuhn, Loeb & Co.

Lazard Frères & Co.

Algemeine Bank Nederland N.V. Amsterdam-Rotterdam Bank N.V. Banque Nationale de Paris

Banque de Paris et des Pays-Bas Commerzbank Crédit Lyonnais Credit Suisse White Weld

Deutsche Bank Dresdner Bank Greenshields Kredietbank S.A. Luxembourgeoise

Société Générale Société Générale de Banque S.A. Swiss Bank Corporation (Overseas)

Union Bank of Switzerland (Securities) Westdeutsche Landesbank Wood Gundy

Bank of America International Bank Leu International Ltd. Bank Mees & Hope NV

Bank Morgan Labouchere N.V. Banque Bruxelles Lambert S.A. Banque Française de Commerce Extérieur

Banque Générale du Luxembourg S.A. Banque de l'Indochine et de Suez Banque Internationale à Luxembourg S.A.

Banque Louis-Dreyfus Banque de Neufville, Schlumberger, Maillet Banque Populaire Suisse S.A. Luxembourg

Banque Rothschild Banque de l'Union Européenne Banque Worms Baring Brothers & Co., Limited

H. Albert de Bary & Co. N.V. Bayerische Vereinsbank Job. Berenberg, Gossler & Co.

Berliner Handels- und Frankfurter Bank Blyth Eastman Dillon & Co. Burns Fry Caisse des Dépôts et Consignations

Cazenove & Co. Compagnia Finanziaria Interbancaria S.p.A. Compagnie de Banque et d'Investissements (Underwriters) S.A.

County Bank Crédit Commercial de France Crédit Industriel d'Alsace et de Lorraine Crédit Industriel et Commercial

Crédit du Nord Creditanstalt-Bankverein Credito Italiano Daiwa Europe N.V. Den Danske Bank

Delbrück & Co. Dillon, Read Overseas Corporation Dominion Securities Corporation Harris & Partners

Eurocapital S.A. European Banking Company Eurotrading First Boston (Europe) Robert Fleming & Co.

Goldman Sachs International Corp. Groupement des Banquiers Privés Genevois Hambros Bank R. Henriques Jr. Bank

Hessische Landesbank Hill Samuel & Co. E. F. Hutton & Co. NV Istituto Bancario San Paolo di Torino

Kidder, Peabody International Kiebenhavus Handelsbank Kleinwort, Benson Kredietbank N.V.

F. van Lanschot Lazard Brothers & Co., Lazard Frères et Cie. Lehman Brothers Lloyds Bank International

Lombardfin S.p.A. London Multinational Bank (Underwriters) Limited Manufacturers Hanover

McLeod, Young, Weir & Company Merrill Lynch International & Co. Samuel Montagu & Co. Morgan Grenfell & Co.

Morgan Stanley International Nesbitt, Thomson The Nikko Securities Co., (Europe) Ltd. Nomura Europe N.V.

Sal. Oppenheim Jr. & Cie. Orion Bank Paine Webber Jackson & Curtis Pierson, Holding & Pierson N.V.

PKBank Privatbanken N. M. Rothschild & Sons Rothschild Bank AG Solomon Brothers International

J. Henry Schroder Wag & Co. Shields Model Roland Skandinaviska Enskilda Banken Slavenburg Oyens & van Eeghen N.V.

Smith Barney, Harris Upham & Co. Società Finanziaria Assicurativa (SOFIAS) R.A.S. Group

Société Bancaire Barclays (Overseas) Ltd. Strauss, Turnbull & Co. Svenska Handelsbanken

Trade Development Bank Overseas Inc. Verband Schweizerischer Kantonalbanken Vereins- und Westbank

J. Vontobel & Co. M. M. Warburg-Brockmann, Wirtz & Co. S. G. Warburg & Co. Ltd.

Weisscredit Trade and Investment Bank Yamaichi International (Europe) Limited

August 24, 1976

Paddle steamers are still very much a part of the American scene.

John Edwards reports on a new venture

The riverboat gamble

PADDLE STEAMBOATS are part of America's history, immortalised in Showboat and many other films. So it came as something of a surprise while visiting Cincinnati, Ohio, to come across the launching of a new riverboat—the Mississippi Queen—last month.

The first of its kind to be built for about 30 years, it cost over \$23m, to launch after 10 years of planning and four years of actual construction.

Equally surprising is the fact that a local doctor, Dr. Charles M. Barrett, acquired as president of a local insurance company the whole of the \$18.5m worth of long-term bonds issued to help finance the venture.

The Coca-Cola Bottling Company of New York also became involved recently by taking over the company owning the "biggest steamboat ever afloat". The huge 35 foot wide by 25 foot diameter paddlewheel is turned by a steam engine with automated oil-fired boilers and the steam turbine generators can provide enough electricity for a small city.

The boat is nearly 400 feet long, 68 feet wide and has seven decks. The exterior design and consultancy on engineering plant had a strong British connection through James Gardner of London, designers of the Cunard liner QE II.

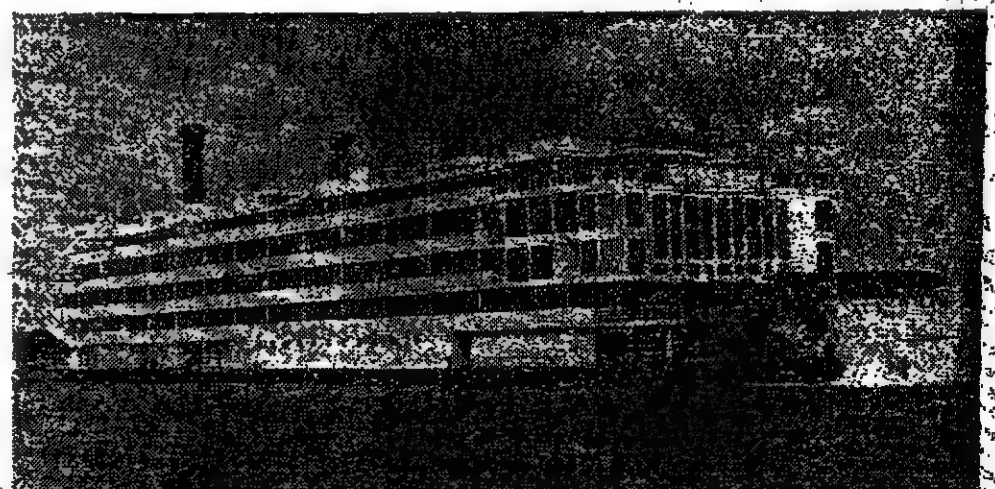
A U.K. engineer from the P & O group was on the maiden voyage to make sure everything went well. Not surprisingly the Queen is not cheap, especially from British eyes.

The price of a stateroom on the inaugural voyage from Cincinnati to New Orleans lasting 13 nights was \$2,430 per single passenger, including berth, meals and entertainment.

It operates together with its much older sister ship, the Delta Queen, which has just received another special dispensation from Congress to continue operating. This dispensation is required since the Delta Queen does not comply with the shipping safety regulations, being built largely of timber.

The Mississippi Queen has no such problem, being made entirely of steel although this is not apparent to the outside eye. It looks for all the world, as it is supposed to, just like one of the famous steam-driven paddle steamers that helped open up the American West before the railroads came.

To preserve the link with the past the steamer has been designed with all the opulence of the old riverboats, including a steam piano (calliope). But it is much bigger than anything ever built before, and has such



modern luxuries as air-conditioning, a swimming pool, sauna, lifts and cinema.

Operating by grace of Congress on one-year extensions caused considerable financial accounting problems.

The company was only kept going by a California congressman, who was anxious that the Delta Queen could not accept bookings for the following year because of financial problems, decided to take over the company.

It was then sold to Overseas National Airways, a charter airline company that was doing well until it suffered the misfortune of two new aircraft crashing within a short time of each other, just when Coca Cola of New York was making a bid to take it over.

previous one year exemptions, will greatly help in keeping that boat financially afloat too.

The bonds offered came time when U.S. citizens preparing to celebrate Bicentennial, and accord Dr. Barrett it was a "wholesome investment" tunity tying in with the community and the fact that Ohio River opened up the many people.

Dr. Barrett, who not only sees patients by a ment, was keen to be as with an investment he seek "floating down the river". However, there was also financial incentive that persuaded his company to acquire the bonds offered.

The bonds offered in the Delta Queen were part of several investment funds. The bonds over a 2 period give a very xth interest rate—in U.S. terms 9 per cent a year, and important: are 87.5 per cent, guaranteed by the U.S. Government under the 1938 Commission Legislation allowing them to be spread over several investment funds.

The bonds over a 2 period give a very xth interest rate—in U.S. terms 9 per cent a year, and important: are 87.5 per cent, guaranteed by the U.S. Government under the 1938 Commission Legislation allowing them to be spread over several investment funds.

Dr. Barrett's investment only marginally at risk a good interest rate 9 per cent a year, and important: are 87.5 per cent, guaranteed by the U.S. Government under the 1938 Commission Legislation allowing them to be spread over several investment funds.

Dr. Barrett's investment only marginally at risk a good interest rate 9 per cent a year, and important: are 87.5 per cent, guaranteed by the U.S. Government under the 1938 Commission Legislation allowing them to be spread over several investment funds.

Dr. Barrett's investment only marginally at risk a good interest rate 9 per cent a year, and important: are 87.5 per cent, guaranteed by the U.S. Government under the 1938 Commission Legislation allowing them to be spread over several investment funds.

Dr. Barrett's investment only marginally at risk a good interest rate 9 per cent a year, and important: are 87.5 per cent, guaranteed by the U.S. Government under the 1938 Commission Legislation allowing them to be spread over several investment funds.

Dr. Barrett's investment only marginally at risk a good interest rate 9 per cent a year, and important: are 87.5 per cent, guaranteed by the U.S. Government under the 1938 Commission Legislation allowing them to be spread over several investment funds.

Dr. Barrett's investment only marginally at risk a good interest rate 9 per cent a year, and important: are 87.5 per cent, guaranteed by the U.S. Government under the 1938 Commission Legislation allowing them to be spread over several investment funds.

Dr. Barrett's investment only marginally at risk a good interest rate 9 per cent a year, and important: are 87.5 per cent, guaranteed by the U.S. Government under the 1938 Commission Legislation allowing them to be spread over several investment funds.

Leisure

The upshot was that Coca-Cola of New York took over the Delta Queen Steamboat Company in place of the whole of Overseas National Airways. Coca Cola of New York is independently operated on a franchise basis from the main company and has, basically the right to bottle Coca-Cola to the agreed formula in New York and surrounding areas.

For example, in the Cincinnati area from which the Mississippi and Delta Queen riverboats operate so the takeover of the steamboat company is purely part of its diversification into leisure industries, including three wine companies and a leisure products subsidiary in Texas.

It is also relevant to point out that Dr. Barrett is not exactly fulfilling the role of the Cincinnati Kid, or the traditional riverboat gambler, in deciding to commit \$18m to the Mississippi Queen bonds.

There is an obvious appeal, according to Dr. Barrett, in the unusual doctor who is in the unusual

Confident

But the cost of cruises at other times of the year are more "reasonable" with a low fare of \$335 for a seven-day return trip from New Orleans to Vicksburg in early December.

The Mississippi Queen can carry up to a maximum of 500 passengers, plus 130 crew, and the operating company are very confident that it will be a financial success once the inevitable start-up expenses and problems have been met.

Soon after the launching some 75 per cent of total available passages for the year had already been booked. There are already hopes that the granting a five-year extension by Congress to the Delta Queen, instead of the

usual one year, will greatly help in keeping that boat financially afloat too.

Operating by grace of Congress on one-year extensions caused considerable financial accounting problems.

The company was only kept going by a California congressman, who was anxious that the Delta Queen could not accept bookings for the following year because of financial problems, decided to take over the company.

It was then sold to Overseas National Airways, a charter airline company that was doing well until it suffered the misfortune of two new aircraft crashing within a short time of each other, just when Coca Cola of New York was making a bid to take it over.

previous one year exemptions, will greatly help in keeping that boat financially afloat too.

The bonds offered came time when U.S. citizens preparing to

AUTHORISED UNIT TRUSTS

[illegible]

INSURANCE, PROPERTY, BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

ed Monthly price £1.25 Annual Subscription £16.00 (inland)
is Subscription £18.00 USA & Canada Air Assisted \$48
Apollo Magazine, Bracken House, 10, Cannon Street,
London EC4P 4BY - Tel: 01-248 8000

	High	Low	Stake	P
Watch Int. HKI	-48	-	-	-

[illegible]

Giscard sees Chirac in pre-shuffle talks

BY ROBERT MAUTHNER

PRESIDENT Giscard d'Estaing to-night appeared to be on the point of deciding on a Government reshuffle, which many observers believe will lead to the replacement of M. Jacques Chirac, the Gaullist Prime Minister.

The President met M. Chirac to-night for what could prove to be the last session of their regular weekly consultations.

According to some Press reports, M. Chirac, who has been Prime Minister since the President's election in May 1974, submitted his resignation in July. M. Chirac looked tense as he hurried past reporters after to-night's meeting.

An official announcement on the reshuffle is expected after the next Cabinet meeting on Wednesday.

While M. Chirac's fate is in the balance, speculation has been rife about who will replace him. Several names have been mentioned, but the most strongly tipped has been M. Jean-Pierre Fourcade, the Finance Minister.

True or not, M. Fourcade's appointment would fit in with the President's desire to be seconded by a technocratic Premier who would not thwart him or get involved in political squabbles with other members of the Government.

The nomination of anyone but a Gaullist could, however, present President Giscard with



President Giscard d'Estaing nears a decision.

an extremely tricky situation. The Gaullists are still his biggest prop in the National Assembly, and without them he would no longer have a parliamentary majority, which he requires to push through the Government's legislation.

It is probable that, at least in the short term, the Gaullists would not go into open opposition to the Government, even if one of their number is no longer Prime Minister. Their own prospects at the next general election, due in early 1978, might well be jeopardised if they decided "go it alone" completely.

M. Alexandre Sanguinetti, a former leader of the Gaullist UDR Party and still a member of its executive committee, announced to-day that he had advised M. Chirac to resign and predicted a "change of regime".

He nevertheless warned the Gaullists against adopting a systematic anti-Giscard stand. The Gaullists were probably faced with a period out in the cold, and they should reserve their position, M. Sanguinetti said.

If M. Chirac goes, the parting with the President is likely to be amicable. Though there have been some serious disagreements between the two, notably over the capital gains tax, and M. Chirac's role as "co-ordinator" of the coalition parties, the Prime Minister has always remained loyal to the President in public.

However, M. Chirac is believed to have presidential ambitions of his own and might prefer to preserve his political reputation rather than swallow policies with which he and his party do not agree.

Political crossroads Page 13

Strikes double threat to Ford exports

BY ROY ROGERS, LABOUR CORRESPONDENT

DISPUTES WHICH yesterday halted Ford Motor U.K. production of Escorts and Capris pose a serious threat to the British company's plans to re-establish itself in Western European markets from which it has been virtually excluded for several years.

Production of some 900 cars, mostly Escorts, was stopped, and about 10,000 workers laid off at the company's Halewood, Liverpool, plant was hit by two strikes.

As Ford UK is seeking to boost Escort output by 18,000 this year by a massive push into Europe, the disputes "could not have come at a worse time," says the company. It is already low on car stocks, largely through high demand and the fact that plants have only just opened after the three-week holiday shutdown.

The quality and non-availability of British-made vehicles.

The Halewood body and assembly plants will remain at a standstill this morning, as the day shift has been abandoned. Management has some hope that resumed talks with union officials may clear the way for a resumption of production on the night shift.

Men at the nearby transmissions plant are continuing to work, although without supervision.

Some 800 supervisors in all three Halewood plants, members of the Association of Scientific, Technical and Managerial Staffs, are on strike for higher manning levels for supervisory staff and improved facilities for union representatives.

Lines halted

This dispute, which broke out near the end of last week, did not in itself cause yesterday's production losses, which are valued at about £1.5m. in retail terms. But when a fresh strike broke out, this time involving 200 assembly plant maintenance men, management had to halt the production lines.

Meetings yesterday failed to resolve either the supervisors' row or the maintenance men's grievances over regrading of sewing machine mechanics. Further attempts will be made to-day.

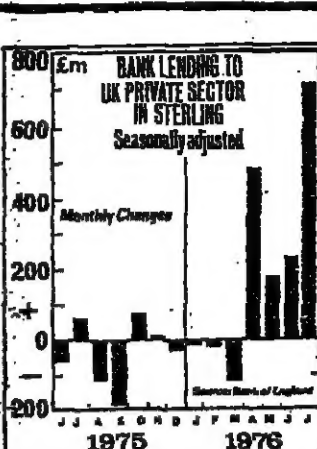
Halewood

Continued trouble at Halewood could put further pressure on Ford to review plans to scale down Escort production at Saarlouis, in West Germany, where more emphasis is to be placed on the new Fiesta. This policy leaves the way clear for Ford UK to attempt to win back sales in European countries which switched to German-made vehicles several years ago after complaining about

THE LEX COLUMN A critical stage in property

The unsettling money supply figures in yesterday's morning papers were swiftly followed by a warning in Greenwell's Monetary Bulletin of fresh pressures in the pipeline. The danger signal for the August banking month pinpointed as being the explosion in the net Treasury Bill issue, although the brokers still think there will be a lull in bank lending to the private sector. Curiously, equities rather than gilts bore the brunt of the monetary news, with the 30-share index penetrating the 1976 low by a clear 3 points. Although there are no buyers of gilts at these prices there seem to be few sellers either, perhaps because many institutions are reluctant to add still further to their liquidity.

Index fell 9.4 to 361.4



Property

Borrowing limits are still crucial matters for highly geared property companies, as demonstrated yesterday by the results from Town and City and the report from British Land. The former's statement shows a pre-tax loss before development outgoings down from £12.1m. to £4.8m., including only £1.5m. in the second six months. But development outgoings are sharply higher, at overall attributable loss on revenue account is slightly higher at £9.1m., and including capital items it looks as though the erosion of net worth may have been of the order of £30m. against £18m. at the half-way stage.

talks pensively about the desirability of the injection of new equity to cut borrowing costs and bring forward the return to profitability. Shareholders can presumably expect a rights issue coming in at such time in the future when the daylight between the market price and the 25p par value is significantly more than the current 8p. This would, of course, mean a dilution of the current value of 118p a share, for which a market capitalisation of only £12.7m. an issue would need to be proportionately very heavy to be worthwhile.

This sheds fresh light on T and C's decision to ask for increased borrowing powers at the beginning of this month, for the losses seem likely to have trimmed the old limit to some £340m. at last March 31, when debt was in fact something in excess of £350m. In British Land's case the decision not to incorporate the more realistic recent valuations in the balance sheet also becomes more understandable since under its loan stock trust deed this would have cut the borrowing limit to £210m., alarmingly close to a debt total of £209m., up £18m. or so on the year.

Tate/Manbré

Tate and Lyle's offer for Manbré and Garton runs up against its first closing date a week from to-morrow so, the decision of the Monopolies Commission could be known within the next few days. Last night the market appeared to be betting a little less heavily against the prospect of a reference with Manbré up to 156p (against an offer worth 170p cash). As for Manbré's document, this was well

trailed over the week and it makes fairly stark bid defence reading.

Manbré expects profits to fall from £7.1m. pre-tax to £10m. 1975-76 for earnings per share of 18.4p. The dividend is up by 50 per cent. at the level, it will be covered 1.8 by forecast earnings and yield at the offer price is 9.2 per cent. on Manbré's market while jolting back to the bid price gets the return to 11.1 per cent. So the arguments for sticking at gaining to get persuasive.

But roughly a tenth Manbré's 1975-76 earnings coming from a maiden month from the High acquisition, while profit 1974-75 were depressed combination of industrial and fire damage. And M. is being cagey—understand perhaps at this stage in the—about longer term earnings. South Africa has a weather is clearly doing well at the moment for sales in glucose markets which dominated by products like drinks and ice cream.

Far East trading

The Hong Kong market something of a knock month. But it is still on per cent. below its 1976 and there was nothing notably untoward yesterday's results of a couple of its stocks—Hutchinson Internals and Wheelock Marden, ping out dealing profit HK\$25.4m.—roughly halving profits—leaves H. son with some steady profit over the first half of 1976. Group seems to be making clear attempt to clean a balance sheet, and all there are still losses in around it begins to look the way the Far Eastern private p/e, ignoring non-recurring profits, is around 18.

The shares have moved line with the Hong Kong market: in striking contrast Wheelock has fallen by more than half this year. Its statement produced a slightly ahead of forecast HK\$29.4m. and the group tries to exclude non-recurring items from its figures. Wheelock's balance sheet what the market is really

Accountants to postpone deferred tax standard

BY MICHAEL LAFFERTY, CITY STAFF

IN THE face of vigorous opposition from the CBI, the big banks, City institutions and many large companies, the Accounting Standards Committee yesterday decided to postpone implementation of its highly controversial standard on deferred taxation pending the outcome of the Morpeth Group's proposals on the new inflation accounting system.

The standard became effective for all accounting periods starting on or after January 1 this year, and is now being suspended before any financial statements have been prepared under its provisions.

The decision is to be framed in the form of a recommendation to the committees sponsoring bodies which make up the Consultative Committee of Accountancy Bodies.

The standard would have required companies to make provision in their accounts not only for the tax on their annual profits but also for that tax deemed to be deferred as a result of the Government's

accelerated depreciation allowances and stock appreciation relief.

The CBI and others, including leading accountants Price Waterhouse, argued that this introduced into the accounts theoretical balances which would never in reality be paid over to the Inland Revenue.

It was also argued that the tax actually paid by companies bore little resemblance to that charged in the profit and loss account, so for successful companies deferred tax balances would just keep growing.

Behind these objections are thought to be other worries. If capital-intensive industries have large deferred tax balances, they could be charged with receiving interest-free Government loans and possibly run the risk of the Government being pressured into calling them in.

Furthermore, under the new system of inflation accounting which the Morpeth Group is considering on behalf of the committee and which takes effect in 1978, companies' profits will be severely trimmed. This empha-

sises the need to show as much additional profit as possible to cover dividend payments.

The Morpeth Group's proposals for the new inflation accounting system, which is based on the Sandilands Report, are due to be published by the Committee at the end of November. It is felt that this will provide an ideal opportunity for a re-assessment of the whole deferred tax problem.

Mr. Tom Watts, a Price Waterhouse partner and a member of the Morpeth Group's committee on deferred tax, wants to drop deferred tax accounting except in the rare cases where companies can foresee amounts crystallising into actual cash being paid over to the Government.

Last night, both the CBI and Price Waterhouse welcomed the Committee's decision. The CBI said: "We are sure that the committee has reached a sensible decision. It is very gratifying that the accountancy profession has shown due consideration to the views expressed by the CBI on behalf of a large section of industry and commerce."

Treasury sets new overseas limits

BY ANTHONY HARRIS

THE TREASURY has imposed new restrictions on the trade credit which U.K. banks are allowed to provide for customers in the overseas sterling area. This is intended to block a possible loophole in the defence of sterling at periods when the exchange rate is under pressure, which may have been responsible for a small proportion of the pressure on the reserves in June and July, and could be more important in future.

to anticipate new commercial pressures which could be expected in any future period of weakness of sterling. Since the announcement of the international standing credit in support of sterling on June 7, the Bank of England has revived an earlier practice by buying sterling in the spot market and selling it in the forward market. This is designed not only to support the spot rate at a minimum cost to the reserves, but to increase the cost of borrowing sterling in the external sterling market, thus discouraging speculative borrowing. The consequent high Eurosterling rates must increase the attraction of any backdoor through the overseas sterling area into the London market.

Speculation

Exchange control regulations on U.K. business with the overseas sterling area were introduced in June 1972, when the pound was first floated, but the banks have deliberately allowed wide latitude in financing trade both within the sterling area and with third countries to protect the City's traditional business in this important field.

However, it is thought that some cuts have been used since facilities to finance speculation against sterling, through the purchase of foreign currency, rather than to finance trade during the recent run on the pound. Banks will therefore be required to demand documents proving that the loan requested relates to an actual current movement of goods. Such credit will also be limited to 180 days, the normal maximum commercial term.

This new regulation is probably designed not so much to prevent a recurrence of any leakage which may have occurred earlier this summer as

Peter Hennessy writes: Mr. John Biffen, Opposition spokesman on energy and a leading Tory monetarist, yesterday predicted a further sharp increase in monetary expansion when the figures for August are released.

He foresaw two dangers: "That the Government will not be able to borrow the cash needed to finance its massive spending. If they print money rather than borrow, they make greater inflation an absolute certainty."

"Secondly, the Government may decide they must borrow—but in order to do this, there must be a hefty rise in interest rates—perhaps to 15 per cent."

The Chancellor's economic policies have created the prospect of either more inflation, or higher interest rates or a further round of spending cuts and tax increases, said Mr. Biffen.

Money supply warning, Page 9

Government frustrates Bristol on Toyota distribution centre

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE Government yesterday showed no inclination to step back from its politically embarrassing confrontation with the Labour-controlled Bristol City Council over the Department of Industry's refusal to sanction a Toyota car distribution centre at the city's new West Dock.

After a meeting with civic and dock leaders in Bristol, Mr. Alan Williams, Industry Minister, shocked the Japanese car company into silence by saying that he had heard nothing which would make him try to convince the mid of Mr. Eric Varley, Industry Secretary.

Earlier, Toyota had said that it would seek talks this week with the Department of Industry on the rejection of its application for an Industrial Development Certificate for its £5m. project. But after hearing of Mr. Williams's hard line, senior managers went into conference with legal experts and professional

advisers and then refused all contact.

Nevertheless, the company stressed that it was not envisaging legal action at this time and that it still believed that a certificate was not necessary for its plans. This argument turns on the company's claim that manufacturing work would not be undertaken at West Dock, merely de-waxing of up to 30,000 cars a year delivered by sea and any necessary damage repairs.

Mr. Varley's decision is seen in Bristol as a serious blow to the prospects of the municipally-financed £37m. West Dock development. Councillor Wally Jenkins, chairman of Bristol's docks committee, said yesterday that the Government's interpretation of the certificate provisions of the Town and Country Planning Act of 1971 prevented major operations in the West Dock "almost to the point of blowing your nose."

Mr. Williams, however, stood by the interpretation which he

said could be challenged in the courts if Toyota wished to do so. The Government had urged Toyota to consider putting its centre on Merseyside where the employment situation was "far more serious."

Rejection

Rejecting allegations that the Government had offered Toyota a £1m. "bribe" to go to Merseyside, Mr. Williams claimed that it was "perfectly proper for a firm to be told of the financial incentives that are available."

The Government could still face pressure from its Bristol MPs to change its mind over the application. Mr. Ron Thomas, Labour MP for Bristol North-west, said he would be supporting the West Dock, cause while Mr. Anthony Wedgwood Benn, Energy Secretary and member for Bristol South-east, pledged his help "to present the strongest possible case for the West Dock."

Toyota agrees steel price rise, Page 5

Continued from Page 1 Drought and industry

Where supplies were cut by 50 per cent., companies would be offered the option of taking water from land tankers, barges, ships or overhead pipeline.

Possible sources of supply in the U.K. would be North Wales and Scotland. Overseas, the Norwegian fjords are seen as a good prospect. Norwegian shipbrokers in Oslo reported yesterday that they had already received inquiries from public bodies and private industry in the U.K.

Costly as the transshipment might be, it could obviously prove worthwhile in high value industries dependent upon water. Unless such options were exercised there was the prospect that industry in parts of Britain would be threatened by short-term working within the next few weeks. The worst affected areas were parts of South Wales, Northamptonshire, East Anglia, Norfolk and Plymouth.

Mr. John Collins, assistant Welsh secretary of the confederation, said the planned 50 per cent. cut in water supplies from September 1 could lead to a two-day working week. This could affect 1,000 jobs at British Leyland's factory at Pengearn, near Cardiff, where manual gearboxes are made for the new Rover 3500. Another 11,000 workers at factories dependent upon the components could be affected.

The Welsh Water Authority said that many companies in South Wales could be affected similarly unless there was a better response to appeals for

The full list of vegetables affected reads peas, carrots, cauliflowers, celery and white and red cabbages. Contrary to some reports, the suspension applies to fresh and chilled supplies only, not frozen vegetables.

It is hoped that suspension of tariffs—which range between 15 and 20 per cent.—will attract supplies from non-EEC countries and help cushion the impact of the drought, affecting consumer prices not only in Britain but wide areas of the community.

The suspension will come into operation towards next week-end after completion of legal formalities. Initially it is due to last until September 30.

Weather

U.K. TO-DAY

MOSTLY hot, some thundery showers.

London area, N. Wales, Lake District, Glasgow, Cent. Highlands, Midlands, N.W. Cent. N.E., Cent. S. England

Mostly sunny. Wind S.E., light. Hot. Max. 27°C (81°F).

E. Anglia, Borders, Edinburgh, Dundee, Aberdeen, E. N.E. England

Sunny, warm inland. Coastal fog. Max. 25°C (77°F). Cooler on coasts.

Channel Islands, S.W. England, S. Wales, N. Ireland

Cloudy. Thundery showers with hill and coast fog. Warm. Max. 23°C (73°F).

Isle of Man, Rest of Scotland Mostly sunny. Hot. Max. 25°C (77°F).

Outlook: Mainly dry and sunny. Isolated thundery showers in S.W.

Lighting-up: London 21.00. Manchester 20.51, Glasgow 21.05, Belfast 21.09.

BUSINESS CENTRES			
	Y day	mid-day	Y day
	mid-day	mid-day	mid-day
Amsterdam	22	22	22
Antwerp	22	22	22
Barcelona	22	22	22
Bombay	22	22	22
Breast	22	22	22
Buenos Aires	22	22	22
Calcutta	22	22	22
Canton	22	22	22
Cebu	22	22	22
Hankow	22	22	22
Hong Kong	22	22	22
Kobe	22	22	22
London	22	22	22
Lyons	22	22	22
Manila	22	22	22
Medan	22	22	22

HOLIDAY RESORTS			
	Y day	mid-day	Y day
	mid-day	mid-day	mid-day
Algarve	24	24	24
Algeria	24	24	24
Antwerp	24	24	24
Barcelona	24	24	24
Bombay	24	24	24
Breast	24	24	24
Buenos Aires	24	24	24
Calcutta	24	24	24
Canton	24	24	24
Cebu	24	24	24
Hankow	24	24	24
Hong Kong	24	24	24
Kobe	24	24	24
London	24	24	24
Lyons	24	24	24
Manila	24	24	24
Medan	24	24	24

PHILIPPINE EARTHQUAKE DISASTER

The B.B.C. report 5,000 killed. Over 90,000 a homeless. The terrible 24 ft. tidal wave has added to the death and devastation. At the time of going to Press many more people are expected to be made homeless or to die.

Victims are in desperate plight and weak from injuries, exposure and hunger. Old people suffer particular hardship because infirmity often makes them least able to help themselves.

Help the Aged has already sent immediate aid £5,000. Very much more is needed quickly. The fastest way is, of course, to send funds to experienced relief workers already on the spot.

They urgently need money for food, medical aid and shelter. Help now is much more valuable than aid later, when for some it would be too late.

Hours count—your donation is desperately needed. So please use the FREEPOST facility and address your gift to Earthquake Appeal, Hon. Treasurer, the Rt. Hon. Lord Maybray-King, Help the Aged Room FT5, FREEPOST 37, LONDON W1E 6JZ (No stamp needed.)